http://www.oblible.com

UniCredit S.p.A.

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

€35,000,000,000

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 €35,000,000,000 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 instructions of the Bank of Italy set out in Part III, Chapter 3 of the "Disposizioni di Vigilanza per le Banche" (Circolare No. 285 of 17 December 2013), as 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 €35,000,000,000, 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 on-going 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 has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer, the OBG Guarantor or the quality of the OBG that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the OBG.

By approving this 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 6 (4) of the Luxembourg law on prospectuses for securities of 16 July 2019.

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 2014/65/EU 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).

This Prospectus is valid for a period of 12 months from the date of its approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the OBG, prepare a supplement to this Prospectus. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. The validify of this Prospectus ends upon expiration on 7 June 2022.

Each Series or Tranche (both as defined below) of OBG may be issued without the consent of the holders of any outstanding OBG, subject to certain conditions. OBG of different Series 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 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 generally applicable terms and conditions of the OBG (contained in the section headed "Terms and Conditions of the OBG") 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* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System with registered office at 1 Boulevard du Roi Albert II, B-1210, Brussels, Belgium ("**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 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the OBG of each Series or Tranche.

Each Series or Tranche of OBG may be assigned, on issue, a rating by Moody's Investors Service ("**Moody's**" or the "**Rating Agency**",which expression shall include any successor thereof) or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. Whether or not a rating in relation to any Tranche or Series of OBG will be (i) issued by a credit rating agency established in the European Economic Area ("**EEA**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the "**EU CRA Regulation**") or by a credit rating agency which is certified under the EU CRA Regulation and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**" and, together with the EU CRA Regulation, the "**CRA Regulations**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (i) the rating is provided by a credit rating agency not established in the EEA is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA RegulationThe European Securities and Markets Authority ("**ESMA**")is obliged to maintain on its website http://www.esma.europa.eu/page/List-registered-and-certified-CRAs a list of credit rating agencies registered and certified under the EU CRA Regulation (and such registration has not been withdrawn or suspended).

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

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.

Important – EEA Retail Investors. If the Final Terms in respect of any OBG includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA . For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the OBG or otherwise making them

http://www.oblible.com

available to retail investors in the EEA has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Important – UK Retail Investors - If the Final Terms in respect of any OBG includes a legend entitled "Prohibition of Sales to UK Retail Investors", the OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the OBG or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Amounts payable under the OBG may be calculated by reference to EURIBOR or LIBOR, in each case as specified in the relevant Final Terms. As at the date of this Prospectus, the European Money Markets Institute ("**EMMI**" as administrator of EURIBOR) is included in the ESMA's register of administrators and benchmarks established and maintained pursuant to article 36 of Regulation (EU) 2016/1011 (the "the **BMR**"). As at the date of this Prospectus, ICE Benchmark Administration Limited ("**IBA**", as administrator of LIBOR does not appear on the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the BMR. As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that IBA is not currently required to obtain authorisation or registration (or, if located outside the EEA, recognition, endorsement or equivalence).

MiFID II product governance / target market. The Final Terms in respect of any OBG will include a legend entitled "MIFID II product governance / Professional investors and ECPs only target market" which will outline the target market assessment in respect of the OBG and which channels for distribution of the OBG are appropriate. Any person subsequently offering, selling or recommending the OBG (a "**distributor**") should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the OBG (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue on whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any OBG is a manufacturer in respect of such OBG. Otherwise, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. The OBG may not be a suitable investment for all investors.

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

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

Sole Arranger

UniCredit Bank AG

Dealer

UniCredit Bank AG

The date of this Prospectus is 7 June 2021.

This Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation 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. To the best of the knowledge of the Issuer 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.

The OBG Guarantor has provided the information set out in the section headed "*Description of the OBG Guarantor*" below and any other information contained in this Prospectus relating to itself for which the OBG Guarantor, together with the Issuer, accepts responsibility. To the best of the knowledge of the OBG Guarantor the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data. With respect to such information provided by the OBG Guarantor, the responsibility of the Issuer is limited to their correct reproduction.

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 on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 by reference in 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, expressed or implied, or accepts any responsibility or liability, 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 or the

OBG Guarantor during the life of the arrangements contemplated by this Prospectus or by any supplement or 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.

No third party information is included in this Prospectus, except for the rating information set out in the section headed "*Credit Ratings*" in the "*Description of the Issuer*" of this Prospectus. 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 Issuer and the OBG Guarantor 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 sources of such information are the following rating agency: Fitch Italia Società Italiana per il Rating S.p.A. ("**Fitch**"), Moody's and S&P Global Ratings ("**S&P**").

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 Issuer and the OBG Guarantor.

No statement or report attributed to a person as an expert is included in this Prospectus, except for the reports of the auditors of the Issuer and the OBG Guarantor who have audited the consolidated financial statements of the UniCredit Group and each of the financial statements of the Issuer and the OBG Guarantor for the financial year ended on 31 December 2020 and 31 December 2019.

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

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, as it may have been supplemented from time to time, 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. For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see "*Subscription and Sale*" below.

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, subject to certain exceptions, OBG may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**"Regulation S"**)). 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 OBG, 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.

Neither the Issuer, the Sole Arranger and the Dealer makes any representation as to the suitability of any Green OBG, Social OBG or Sustainability OBG (each as defined herein) to fulfil any green, social or sustainability criteria required by any prospective investors. If any Green OBG, Social OBG or Sustainability OBG will be admitted to listing (including the listing or admission to trading thereof on any dedicated 'green', 'social', 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market), no representation or assurance is given by the Issuer, the Sole Arranger or the Dealer that such listing or admission satisfies any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. The Sole Arranger and the Dealer have not undertaken, nor are they responsible for, any assessment of any sustainability bond framework or any eligible green, social or sustainable projects, any verification of whether such projects meet the criteria set out in such sustainability bond framework or the monitoring of the use of proceeds of any Green OBG, Social OBG or Sustainability OBG. Investors should refer to the Issuer's Sustainability Bond Framework (as defined below) which the Issuer may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green OBG, Social OBG or Sustainability OBG for further information. Any such green, social or sustainability framework and/or second party opinion and/or public reporting – which will be made available in the "Investors" section of the Issuer's website – will not be incorporated by reference in this Prospectus and neither the Sole Arranger nor the Dealer makes any representation as to the suitability or contents thereof.

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) "**$**" or "**U.S. Dollar**" are to the currency of the Unites States of America; (iii) "**Italy**" are to the Republic of Italy; (iv) laws and regulations are, unless otherwise specified, to the laws and regulations of Italy; and (v) "**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.

TABLE OF CONTENTS

Page

GENERAL DESCRIPTION OF THE PROGRAMME 9
RISK FACTORS 61
STRUCTURE DIAGRAM 124
DOCUMENTS INCORPORATED BY REFERENCE 125
DESCRIPTION OF THE ISSUER 132
DESCRIPTION OF THE PORTFOLIO – THE CREDIT AND COLLECTION POLICIES 181
DESCRIPTION OF THE OBG GUARANTOR 203
DESCRIPTION OF THE ASSET MONITOR 207
CREDIT STRUCTURE 209
ACCOUNTS AND CASH FLOWS 221
USE OF PROCEEDS 235
DESCRIPTION OF THE TRANSACTION DOCUMENTS 236
SELECTED ASPECTS OF ITALIAN LAW 255
TERMS AND CONDITIONS OF THE OBG 270
RULES OF THE ORGANISATION OF THE OBG HOLDERS 309
FORM OF FINAL TERMS 330
TAXATION IN THE REPUBLIC OF ITALY 350
LUXEMBOURG TAXATION 362
SUBSCRIPTION AND SALE 365
GENERAL INFORMATION 371
INDEX OF DEFINED TERMS 376

GENERAL DESCRIPTION OF THE PROGRAMME

This section constitutes a general description of the Programme for the purposes of article 25 (1) of Commission Delegated Regulation (EU) 2019/980 implementing the Prospectus Regulation. As such the following overview 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 the section headed "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 in the section headed "Index of Defined Terms" commencing on pag. 345.

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 Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy with Fiscal Code, VAT number and registration number with the companies' register of Rome 00348170101 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 Law 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.
Legal Entity Identifier of the Issuer	549300TRUWO2CD2G5692
Website of the Issuer	*https://www.unicreditgroup.eu* Information appearing on the Issuer's website does not form part of this Prospectus, unless such information is incorporated by reference into this Prospectus.
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. 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 subject to UniCredit S.p.A.'s management and coordination activity (*soggetta all'attività di direzione e coordinamento*) 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**" or "**SVM**")), an Italian limited liability company (*società a responsabilità limitata*), with registered office at Via Vittorio Alfieri, 1, I-31015 Conegliano (Treviso), Italy. See "*Description of the OBG Guarantor*", below.
Legal Entity Identifier of the OBG Guarantor	8156002B929020A90676
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 € 40,000,000,000 (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 Arabellastrasse 12, 81925 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	Italfondiario S.p.A. (in its capacity as successor of doBank S.p.A.) is a joint stock company (società per azioni) with sole shareholder, incorporated under the laws of the Republic of Italy, having its registered office at Via Mario Carucci No. 131, 00143 Rome, Italy, fiscal code and registration with the companies' register of Rome under number 00399750587, VAT number 00880671003, registered under number 32447

	in the register of the financial intermediaries (albo degli intermediari finanziari) held by the Bank of Italy pursuant to article 106 of the Banking Act, subject to the activity of direction and coordination (attività di direzione e coordinamento) of doValue S.p.A. pursuant to articles 2497 and following of the Italian Civil Code, acting in its capacity as administrative services provider under the administrative services agreement ("**Italfondiario**"). Italfondiario is 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	BDO Italia 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 Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies' register of Milan no. 07722780967 and enrolled under number 167911 with the register of statutory auditors (*Registro Dei Revisori Legali*) maintained by the Ministry of Economy and Finance, 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 S.p.A., an Italian *società per azioni*, having its registered office at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy, registered with the companies' register held in Rome, Italy at number 00348170101, fiscal code and VAT number 00348170101, registered with the register of banks (*albo delle banche*) held by the bank of Italy at number 02008.1, 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 €182,839,216, having its registered office at Rue d'Antin, Paris, France, operating for the purposes hereof through its Milan Branch located in Piazza Lina Bo Bardi, 3, I-20124 Milan, Italy, registered with the companies' register held in Milan, Italy at number 13449250151, fiscal code and VAT number 13449250151, registered with the 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 €182,839,216, having its registered office at Rue d'Antin, Paris, France, operating for the purpose hereof through its Luxembourg Branch located in 60, avenue J.F. Kennedy, L-1855, Luxembourg, or any other person for the time being acting as such, is the Luxembourg listing agent (in such capacity, the "**Luxembourg**

	Listing Agent").
	BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.
	Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.
Representative of the OBG Holders	Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.) is the representative of the holders of the OBG (the "**Representative of the OBG Holders**"). Banca Finanziaria Internazionale S.p.A. is a bank organised under the laws of the Republic of Italy as a joint stock company with a sole shareholder (*società per azioni con socio unico*), with its registered office in via Vittorio Alfieri 1, I-31015 Conegliano (Treviso), Italy, with a share capital of €71,817,500.00 (fully paid-up), fiscal code and number of enrolment in the companies' register of Treviso-Belluno 04040580963, VAT Group "Gruppo IVA Finint S.p.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*".
Rating Agency	Moody's Investors Service ("**Moody's**" or the "**Rating Agency**").
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 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	€35,000,000,000 OBG Programme.
Size	Up to €35,000,000,000 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 13 August 2018, 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, and subject to the minimum denomination requirements specified below, 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). The relevant Issue Date of a Series or Tranche will be specified in the relevant Final Terms.
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, 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 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 Zero Coupon OBG only as may be so specified in the relevant Final Terms.

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, CMS 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.

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

Interest on Floating Rate 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), completes 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 completed by the relevant Final Terms.
Interest on the OBG	Except for the Zero Coupon OBG, 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 and at such rate as may be so specified in the relevant Final Terms and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche. 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 and Pass-Through OBG

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 38 years following the applicable Maturity Date (the "**Extended Maturity Date**").

Such deferral will occur automatically in respect of any given Series if:

(a) the Issuer fails to repay in whole or in part such Series on the applicable Maturity Date and a Notice to Pay has been served on the OBG Guarantor; and

(b) 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 as set out in the relevant Final Terms (the "**Final Redemption Amount**") on the Maturity Date,

(each such Series, a "**Pass-Through OBG**").

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

Payment of all unpaid amounts shall be deferred

automatically until the applicable Extended Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date in respect of the relevant Pass-Trough OBG may be paid by the OBG Guarantor on any OBG Payment Date thereafter, up to (and including) the relevant Extended Maturity Date for such Pass-Through OBG.

The OBG Guarantor will be obliged to apply any Available Funds (i) towards redemption in full of all Pass-Through OBG and (ii) to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding in accordance with the Post-Issuer Event of Default Priority of Payment and the OBG Guarantor will also be obliged to use its best efforts to sell Selected Assets on a semi-annual basis in accordance with the provisions of the Portfolio Administration Agreement to enable it to redeem all Pass-Through OBG prior to the applicable Extended Maturity Date and to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, provided that it can sell Selected Assets and consequently redeem the Pass-Through OBG subject to ensuring compliance with the Amortisation Test. Failure by the OBG Guarantor to sell Selected Assets in the Portfolio in accordance with the Portfolio Administration Agreement shall not constitute a Guarantor Event of Default.

If:

(a) an Issuer Event of Default has occurred and a Notice to Pay has been served on the OBG Guarantor; and

(b) a breach of the Amortisation Test according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report has occurred and a Breach of the Amortisation Test Notice has been served on the OBG Guarantor,

then a Guarantor Event of Default shall occur and, subject to the service of a Guarantor Acceleration Notice on the OBG Guarantor, all Series of OBG

	then outstanding shall become immediately due and payable in accordance with the Post-Guarantor Event of Default Priority (as defined below) without any preference among the OBG then outstanding.
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) 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;

(iv) no Programme Suspension Period has occurred and is continuing; and

(v) no OBG with an extension of the Maturity Date shorter than 38 years are outstanding.

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	Each Series or Tranche issued under the Programme may be assigned a rating by Moody's or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. **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.** Whether or not each credit rating applied for in relation to the relevant Series or Tranche will be issued by a credit rating agency established in the EEA and registered under EU CRA Regulation or established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted under the EU CRA Regulation and UK regulated investors are restricted under the UK CRA Regulation from using a credit rating for regulatory purposes unless such rating is issued by a credit rating agency established in the EEA or the UK and registered under the relevant CRA Regulation (and such registration has not been withdrawn or superseded, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies or non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered or UK- registered credit rating agency or the relevant non-EEA (or non-UK) credit rating agency is certified in accordance with the relevant CRA Regulation (and such endorsement or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).
Use of Proceeds	The net proceeds to the Issuer from the issue of all OBG will be applied by the Issuer for: (a) general funding purposes of the Group (including funding of the mortgage loans business of the Group); or (b) as otherwise indicated in the relevant Final

Terms, including to be applied towards Eligible Green Projects, Eligible Social Projects, Eligible Sustainability Projects or a re-financing of any combination of each of the Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects (Sustainability Bonds).

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) asset backed securities issued in the framework of securitisations having the characteristics of article 2, para. 1, lett. d), of the MEF Decree whose underlying assets are comprised of Mortgage Receivables and provided that such asset backed securities comply with all the following: (a) the cash-flow generating assets backing the securitisation transactions securities meet the criteria laid down in Article 129(1)(d) to (f) of Regulation (EU) No 575/2013 in respect of securitisation transactions securities backing covered bonds, (b) the cash-flow generating assets were originated by an entity closely linked to the issuer of the covered bonds, as described in Article 138 of the Guideline of the European Central Bank dated 19 December 2014 ((UE) 510/2015), (c) they are used as a technical tool to transfer mortgages or guaranteed real estate loans from the originating entity into the cover pool of the respective covered bond; and (d) the requirements provided by Circular n. 285 of 17 December 2013 of the Bank of Italy (Supervisory Guidelines for the Banks) (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, (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 Subordinated Loan Interest Amount 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, the sum of (A), (B) and (C),

where

A. is 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;

B. is the amount of interest due and payable on the OBG on the immediately succeeding Guarantor Payment Date without double counting (A) above; and

C. is an amount equal to 0.50% of the Outstanding Principal Balance of the Portfolio as at the end of the immediately preceding Collection Period.

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, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay 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 in accordance with the provisions

of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as 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 to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;

(iii) *third,* if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;

(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 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), (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; (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 and (g) the positive difference (if any) between (1) the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount

credited to the Payment Account on the immediately preceding Guarantor Payment Date.

"**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 first 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.

"**Purchase Price Accumulation Amount**" means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

"**Provisional Purchase Price of the New Portfolio**" has the meaning ascribe to the expression "*Corrispettivo Provvisorio del Portafoglio Successivo*" under the Master Transfer Agreement.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following 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* according to the respective amounts thereof, any amount due and payable as interest on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(iv) *fourth,* to replenish the Reserve Account up to the Total Target Reserve Amount;

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

(vi) *sixth,* to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;

(vii) *seventh,* 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;

(viii) *eighth,* 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);

(ix) *ninth,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated provider, if any), 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);

(x) *tenth,* 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);

(xi) *eleventh,* 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),

(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 reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

"**Principal Amount Outstanding**" means, on any date in respect of any Series of OBG or, where applicable, in respect of all Series of OBG: the principal amount of such series or, where applicable, all such Series upon issue, *minus* the aggregate amount of all principal which as been repaid prior to such date in respect of such Series or, where applicable, all such Series.

"**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 of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31 days)).

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 and payable on the Pass-Through OBG and 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 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 purchase price in respect of the Initial Portfolio has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement, the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio 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 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 or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or

(b) in case of Commercial Mortgage Loans, one or more entities, of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence 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 or 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);

(vi) loans having at least one instalment (even an

only interest one) fallen due and paid;

(vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years; or in case of Commercial Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

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*);

(iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 of the Banking Law, 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, provided that such investments shall have

(I) a minimum short-term or long-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below; and

(II) a remaining maturity date (where applicable) equal to the earlier of (i) the maturity reported in the applicable table and (ii) (a) either 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 (b) 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).

Column 1	**Column 2**		
Category of the OBG	**Rating**		
Aaa	**Maturity of the investment**	**Long Term**	**Short Term**
	Equal or less than 30 days	A3	P-2
	Equal or less than 90 days	A2	P-1
	Equal or less than 180 days	A1	P-1
Aa1	**Maturity of the investment**	**Long Term**	**Short Term**
	Equal or less than 30 days	Baa1	P-2
	Equal or less than 90 days	A3	P-2
	Equal or less than 180 days	A2	P-1

Aa2	**Maturity of the investment**	**Long Term**	**Short Term**
	Equal or less than 30 days	Baa2	P-2
	Equal or less than 90 days	Baa1	P-2
	Equal or less than 180 days	A2	P-1
Aa3	**Maturity of the investment**	**Long Term**	**Short Term**
	Equal or less than 30 days	Baa3	P-3
	Equal or less than 90 days	Baa2	P-2
	Equal or less than 180 days	A3	P-2
Aa3	**Maturity of the investment**	**Long Term**	**Short Term**
	Equal or less than 30 days	Baa3	P-3
	Equal or less than 90 days	Baa3	P-3
	Equal or less than 180 days	Baa1	P-2

Integration Assets

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

(i) deposits with banks which qualify as Eligible Institutions residing in Eligible States; and

(ii) securities issued by banks which qualify as Eligible Institutions 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 Institutions**" means any banks in relation to which, on any given date, its long term unsecured, unsubordinated and unguaranteed debt obligations and its short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as the long-term rating and the short-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below, provided however that if the OBG has been downgraded as a result of the downgrading of the relevant bank refernce must be made to the category of the OBG as specified in column 1 of the table below immediately prior to such downgrade.

Column 1	**Column 2**
Category of OBG	**Long-term rating and short-term rating**
Aaa	A3 and P-1
Aa1	Baa1 and P-2
Aa2	Baa2 and P-2
Aa3	Baa3 and P-3
A1	Baa3 and P-3

"**Eligible States**" shall mean any States belonging to the European Economic Space, Switzerland and any other state attracting a zero 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 OC Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG.

"**OC Calculation Date**" means on any give date, (a) if no Negative Report is delivered by the Calculation Agent (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

"**Reconciliation Date**" means the last calendar day of each Collection Period or, fo so long a breach of any of the Tests is outstanding, the last calendar day of each calendar month.

	For a detailed description of the Mandatary Tests (including a description of the defined terms used herein) see "*Credit Structure – Over-Collateralisation Test*" below.
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), starting from the first Maturity Date on which any

amount in respect of a Series remained unpaid and on any date falling six months thereafter until the day on which a Negative Report for breach of the Amortisation Test has been served on the OBG Guarantor (each such date, a "**Refinance Date**"), the OBG Guarantor shall (if necessary in order to effect payments under the Pass-Through OBG and the OBG which are not Pass-Through OBG, in such last case 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 Substitute Servicer (and the Portfolio Manager) to sell as soon as practicable all or part of the Selected Assets in accordance with the Portfolio Administration Agreement, and the proceeds realised in respect of any such sale shall be applied to (i) redeem the relevant Series of Pass-Through OBG in full and (ii) make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, in each case on any Guarantor Payment Date thereafter. Any such sale shall be subject to any pre-emption right of the Issuer (also as 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.

If the proceeds of such sale are insufficient to (i) redeem the relevant Series of Pass-Through OBG in full and (ii) make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, the OBG Guarantor shall direct the Servicer and the Portfolio Manager to repeat its attempt to sell the Selected Assets on the immediately following Refinance Date until the proceeds are sufficient to redeem the relevant Series of Pass-Through OBG in full and to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding.

See "*Description of the Transaction Documents* -

Description of the Portfolio Administration Agreement" below.

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 € 40,000,000,000, 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 higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;

(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

Pursuant to the terms of a cash management and agency agreement entered into on 19 January 2012,

Agreement	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 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.

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 unkwnown reasons and neither the Issuer nor the OBG Guarantor represents that the risks of holding any OBG are exhaustive. In addition, 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.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE OBG ISSUED UNDER THE PROGRAMME

1. Risks related to the financial situation of the Issuer and of the Group

Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak

*The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. Therefore, there is a risk that changes in the macroeconomic environment may have adverse effects on the financial and economic situation as well as on the creditworthiness of the Issuer and/or the Group. It should be noted that the national and international macroeconomic environment is subject to the risks arising from the outbreak of the viral pneumonia known as "Coronavirus" ("**COVID-19**") and that, currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group.*

From the main effects of COVID-19 observed impacting on UniCredit performance in 2020, important to be noticed are the following: (i) negative impacts on the retail loans demand and on the corporate loans interest rates, even following the facilitation of loans with state guarantees, with resulting decrease on the interest margin; about the customer loans moratorium, they didn't significantly affect the interest margin; (ii) decreases of the commissions, in all service areas; (iii) additional costs, specifically for devices and equipment needed for the employee's protection and for a massive transfer to a remote way of working (smart working); (iv) worsening of the cost of risk because of higher provisions on loans. The

current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

It should be noted that the Group registered a decrease in revenues compared to the corresponding period of 2019, reflecting the extended COVID-19 related restrictions present in all geographies, down 9.0 per cent. Y/Y, to Euro 17.1 billion in FY20 with a decrease in all revenue line items. In 1Q21 the Group delivered revenues of Euro 4.7 billion, up 10.6 per cent. Q/Q and up 7.1 per cent. Y/Y.

The Group realized Loan Loss Provisions (LLPs) totaled Euro 4,496 million in Financial Year 2020 (FY20) (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

In 1Q21, the Group realized Loan Loss Provisions totaled Euro 167 million (-86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

The Group stated in 2020 a net loss of Euro 2,785 million, compared with the Euro 3,373 million of net profit achieved in 2019, mainly driven by Yapi deconsolidation, integration costs in Italy and CIB goodwill impairment, in addition to the financial-economic context deteriorated by the COVID-19 crisis. The Group delivered underlying net profit of Euro 1.264 billion for FY20, decreasing compared to the underlying net profit of Euro 4.675 billion delivered for FY19 and in 1Q21 the Group delivered an underlying net profit of Euro 0.9 billion thanks to a rebound in revenues, despite the ongoing impact of lockdowns on client activity in the quarter, as well as to a lower cost of risk.

Finally, taking into account the deteriorated conditions of the macroeconomic context and the following adjustments to the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. In particular, the current scenario is affected by a high degree of uncertainty whose outcome is not foreseeable at the moment and may require updates in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery.

These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be

presented during the second half of 2021. As a result, the evaluation made for Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain still uncertain in both the short term and medium term.

The past year has been defined by the outbreak of the form of viral pneumonia known as COVID-19 which had a profound impact on communities, employees and customers. Currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group in particular on revenues and cost of risk.

From the main effects of COVID-19 observed impacting on UniCredit performance in 2020, important to be noticed are the following:

- negative impacts on the retail loans demand and on the corporate loans interest rates, even following the facilitation of loans with state guarantees, with resulting decrease on the interest margin; about the customer loans moratorium, they didn't significantly affect the interest margin;
- decreases of the commissions, in all service areas;
- additional costs, specifically for devices and equipment needed for the employee's protection and for a massive transfer to a remote way of working (smart working);
- worsening of the cost of risk because of higher provisions on loans.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

Revenues were down 9.0 per cent. FY/FY to Euro 17.1 billion in FY20 with a decrease in all revenue line items. In 1Q21, revenues were up 7.1 per cent. Y/Y to Euro 4.7 billion with stronger fees (+ 4.3 per cent. Y/Y) and trading (+Euro 466 million Y/Y) more than offsetting lower NII (-12.6 per cent. Y/Y). For both the FY20 and 1Q21, the largest revenue contribution came from Commercial Banking Italy (CB Italy), Corporate Investment Banking (CIB) and Central and Eastern Europe (CEE).

In detail: (i) Net interest income[1] was down 6.3 per cent. FY/FY to Euro 9.4 billion, mainly due to lower customer rates and volumes reflecting the Group's prudent approach, only

[1] Net contribution from hedging strategy of non-maturity deposits in 4Q20 at Euro 361.1 million, +Euro 7.4 million Q/Q and + Euro 7.0 million Y/Y whereas in FY20 at Euro 1,390.0 million, -Euro 11.4 million FY/FY.

partially offset by the positive effect of TLTRO3. In 1Q21, NII[2] was down 3.1 per cent. Q/Q to Euro 2.2 billion, mainly due to lower customer rates impacted by market rates, competition and lower yielding government guaranteed loans as well as the impact of weak demand on volumes (- Euro 13 million Q/Q) mainly in Corporate & Investment Banking. Additional headwinds came from the negative effect of TLTRO3 (- Euro 18 million Q/Q)[3] given the absence of the catch-up payment booked in 4Q20 and from Treasury and the investment portfolio (-Euro 18 million Q/Q), partially offset by term funding (+ Euro 24 million Q/Q); (ii) fees and commission were down 5.2 per cent. FY/FY, totaling Euro 6.0 billion, reflecting the lockdown impact on client activity from 2Q20 onwards. Despite continued lockdowns, in 1Q21 fees and commission were up 4.3 per cent. Y/Y, totalling Euro 1.7 billion.

The Group stated in 2020 a net loss of Euro 2,785 million, compared with the Euro 3,373 million of net profit achieved in 2019, mainly driven by Yapi deconsolidation, integration costs in Italy and CIB goodwill impairment, in addition to the financial-economic context deteriorated by the COVID-19 crisis. The Group delivered underlying net profit of Euro 1.264 billion for FY20, decreasing compared to the underlying net profit[4] of Euro 4.675 billion delivered for FY19 and in 1Q21 the Group delivered an underlying net profit[5] of Euro 0.9 billion thanks to a rebound in revenues, despite the ongoing impact of lockdowns on client activity in the quarter, as well as to a lower cost of risk.

The current scenario is characterised by elements of high uncertainty – strongly influenced also by the relevant restriction measures. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions to be charged in the income statement. The Group realized LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

---

[2] Net contribution from hedging strategy of non-maturity deposits in 1Q21 at Euro 362.6 million, - Euro 2.4 million Q/Q and + Euro 9.0 million Y/Y.

[3] Managerial calculation. The ECB Governing Council in December 2020 extended the more favorable conditions referred to TLTRO3 to the period June 2021 - June 2022, subject to the achievement of certain thresholds. These more favorable conditions, compared to the incremental adoption of TLTRO2 for both 3Q20 and 4Q20, were recognized in 4Q20 with reference to the amounts accrued from the subscription date of the securities (June 2020).

[4] Group underlying net profit excludes the net impact of Fineco disposal (+ Euro 1,176 million in 2Q19), Ocean Breeze disposal (- Euro 178 million in 2Q19), the impact of REV (+ Euro 46 million in 1Q19, - Euro 1 million in 2Q19, + Euro 80 million in 3Q19 and - Euro 45 million in 4Q19), other one-offs (- Euro 173 million in 2Q19), disposal of 9 per cent. Yapi Kredi (- Euro 365 million in 4Q19), integration costs in Germany & Austria (- Euro 319 million in 4Q19), Non Core LLPs given the update of Non Core rundown strategy (- Euro 1,055 million in 4Q19 including - Euro 6 million related to net interest) and impairment of intangible and other assets (- Euro 468 million in 4Q19 o/w - Euro 189 million software write-off and - Euro 279 million other), Yapi Kredi deconsolidation (- Euro 1,576 million in 1Q20), integration costs in Italy (- Euro 1,272 million in 1Q20), additional real estate disposals (+ Euro 296 million in 1Q20), regulatory headwinds impact on Cost of Risk (- Euro 3 million in 1Q20, - Euro 4 million in 2Q20, - Euro 3 million in 3Q20 and - Euro 519 million in 4Q20), revaluation of real estate (+ Euro 9 million in 1Q20, - Euro 7 million in 2Q20, - Euro 5 million in 3Q20 and + Euro 23 million in 4Q20), Non Core rundown (- Euro 98 million in 2Q20, - Euro 4 million in 3Q20 and - Euro 8 million in 4Q20) and goodwill impairment (- Euro 878 million in 4Q20).

[5] Underlying net profit normalised for revaluation of real estate (+ Euro 4 million in 1Q21).

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

Therefore, the Cost of Risk ("**CoR**") in the FY20 is 105 bps, increasing compared to the same period of the past year (71 bps).

In 1Q21, the Group realized Loan Loss Provisions totaled Euro 167 million (-86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were wite-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

Therefore, the cost of risk in the 1Q21 is 15 bps, decreasing compared to the same period of the past year (104 bps).

For further information on the overall exposure to counterparty credit risk and the main activities undertaken by the Group to support its customers, please see "*Credit risk and risk of credit quality deterioration*".

The containment measures adopted to contain the spread of the COVID-19 would have a severe impact on economic activity. The European Central Bank ("**ECB"**) has stepped up interventions and, with its pandemic emergency purchase program ("**PEPP"** – Pandemic Emergency Purchase Programme), it stands ready to act as a buyer of last resort in the government-bond market for as long as needed.

Finally, taking into account deteriorated conditions of the macroeconomic context and the following adjustments to the revised estimates of the cost of risk and the target of gross cost savings, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. In particular, the current scenario is affected by a high degree of uncertainty whose outcome is not foreseeable at the moment and may require updates in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery.

These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be presented during the second half of 2021. As a result, the evaluation made for Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

For further information on the risks associated with the Strategic Plan, see "*Risks connected with the Strategic Plan 2020 – 2023*".

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates and, as recently experienced, a pandemic emergency). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets, potentially impacting on credit spreads/cost of funding and, therefore, on the values the Group can realize from sales of financial assets.

The outlook of the pandemic normalization path in terms of its timeline and further evolution remains highly uncertain, as well as the magnitude of the economic downturn. The global economic downturn can be further impacted by the potential new rounds of restrictions that might be induced by some countries across the world, with the risk of further slowing down the expected recovery.

In particular, besides the impact on global growth and individual countries due to COVID-19, the current macroeconomic situation is characterized by high levels of uncertainty, mainly due to: (i) Brexit related uncertainties; (ii) future developments in the ECB and Federal Reserve ("**FED**") monetary policies; and (iii) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

The economic slowdown experienced in the countries where the Group operates has had (and might continue to have) a negative effect on the Group's business and on the financial costs (e.g. lower NII due to excess liquidity), as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses.

Risks connected with the Strategic Plan 2020 – 2023

*On 3 December 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the financial community in London the 2020-2023 Strategic Plan called "Team 23" (the "**Strategic Plan**" or "**Plan**" or "**Team 23**"). The Strategic Plan contains determined strategic, capital and financial objectives (collectively, the "**Strategic Objectives**") based on four pillars. Such Strategic Objectives focus on improving the cost of risk, reducing the gross NPE ratio, maintaining an appropriate capital buffer throughout the Plan as well as objectives in terms of underlying net profit and capital distribution. The four pillars are: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; and (iv) capital and balance sheet management. UniCredit's ability to meet the Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control, including those relating to developments in the macroeconomic environment in which our Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/manage. The assumptions concerning the macroeconomic scenario and the development of the regulatory framework, as well as the hypothetical assumptions on which the Plan is based, were made prior to the adoption of the restrictive provisions related to the spread of COVID-19 throughout the countries and, therefore, in a macroeconomic environment different from that one determined next to the entry into force of the restrictive provisions ("lockdown") resulting from the pandemic. Indeed, whilst the 2020 financial results have been influenced*

by the pandemic, the financial results for this year and potentially subsequent years could be reasonably influenced by the dynamics of COVID-19, which were not foreseeable at the date of the Strategic Plan presentation and which are still uncertain. Taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. Given the high uncertainty of the environment, an update of Team 23 strategic plan will be run and presented to the markets in the Capital Markets Day in the second half of 2021 (the review of the Strategic Plan initiated following arrival of the new Chief Executive Officer and Board of Directors).

For all these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.

As above mentioned, the current macroeconomic scenario is worse than the plan assumptions. For this reason, UniCredit has updated the macroeconomic assumptions connected with the determination of LLPs in accordance with IFRS9 (International Financial Reporting Standards 9). Furthermore, UniCredit realized additional LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

FY20 stated CoR[6] at 105 bps (lower end of 100-120 bps guidance) as a result of the proactive anticipation of future expected impacts. For the 2020 financial year, the CoR resulted from the combination of the provisions relating to the update of the IFRS9 macroeconomic scenario and the potential effects deriving from the risks that occurred during the year with reference to specific sectors and counterparties.

In 1Q21, the Group realized Loan Loss Provisions totaled Euro 167 million (-86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

In 1Q21 stated CoR[7] at 15 bps, down 165 bps Q/Q impacted by seasonality and further supported by write-backs and the anticipation of future economic impacts taken in 2020[8].

---

[6] Stated CoR based on reclassified P&L and Balance sheet (BS).

[7] Stated CoR based on reclassified P&L and Balance sheet (BS).

[8] Anticipation of future economic impacts: increased overlays, proactive classification and regulatory headwinds including new Definition of Default.

Currently remains the UniCredit target of gross cost savings of Euro 1.25 billion, up 25 per cent. from the original figure of Euro 1 billion. Group's branch network optimization and FTEs reduction program confirmed on track to meet the Team 23 target of around -8,000 Full Time Equivalents (FTEs) reductions and around 500 branches closures.

In light of the CoR reviewed estimates and target of gross cost savings, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. The review of the Strategic Plan initiated following arrival of the new Chief Executive Officer and Board of Directors. The overarching objective is disciplined, profitable and sustainable profit growth. Client centricity will be reinforced, increasing interaction of technology will be delivered and the business will be simplified. Review expected to be concluded in the second half 2021 and communicated at a Capital Markets Day. In this context it will be presented the Group's strategic priorities and the new Team 23 Plan Objectives.

Currently the key pillars of Team 23 remain strategic priorities, specifically:

- **Growth and strengthen client franchise:** through a renewed focus on customer satisfaction and service quality, confirm position as "go to" bank for small and mid-sized corporates, reinforce market leadership in CEE and strengthen CIB and Commercial Banking cooperation, and redesign customer service for individuals, thanks to a mix of integrated channels;

- **Transform and maximise productivity:** adopt new ways of working to continuously optimise processes, enhance customer experience and deliver efficiencies;

- **Disciplined risk management & controls:** further strengthen monitoring and management of Credit and Financial Risk: enhanced business accountability and in-depth monitoring by control functions. Targeted actions on Compliance and Operational Risk, reinforcing governance and risk of Anti Financial Crime controls, AML and KYC, Cyber security and Operational Risk;

- **Capital and balance sheet management:** proactive capital allocation based on financial performance, preference for share buybacks over M&A, only small bolt-on acquisitions might be considered to accelerate capital allocation towards businesses or geographies with higher risk-adjusted profitability. Gradual alignment of domestic sovereign bond portfolios with those of European peers. The project related to the creation of a sub-holding for the international activities of the Group remains under investigation. There is therefore no predefined timeframe for its possible implementation, also considering that the current market and macroeconomic conditions (e.g. purchases of securities by the ECB and reduced government spreads) make some assumptions of the project no longer valid, such as the optimisation of the cost of funding.

Team 23 plan is based on assumptions both in terms of interest rates and economic growth of the countries of presence of the Group. As macroeconomic variables are volatile, UniCredit has also developed two sensitivities on top of the base case scenario embedded in the Strategic plan, both on interest rates and economic growth. One sensitivity, internally called "Draghi", assumes rates close to the current levels throughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP (Gross Domestic Product) growth both in Western Europe and Central Eastern Europe countries. "Draghi" scenario assumes an economic slowdown in normal market conditions, consequently, it is not directly comparable to the impacts related to the COVID-19 containment measures applied by most of Countries. Considering the high uncertainty of the environment, as explained above for financial results also interest rates and economic assumptions are influenced by COVID-19 and will be updated and presented during the Capital Markets Day that will be in the second half of 2021.

Furthermore, it should be noted that, as disclosed to the Market in the context of Strategic Plan – Team 23 presentation, the capital distribution in the plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank. Such adjustments include:

(i) sale of non-strategic assets and selected real estate properties;

(ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs;

(iii) non-operating items in LLPs, for example the updated rundown strategy for Non Core and the regulatory headwinds.

UniCredit, complying with the ECB's 2020 payout recommendations, did not pay dividends nor did share buybacks in 2020.

For 2021, the ordinary capital distribution complies with ECB recommendations on dividends issued on 15 December 2020, which for UniCredit limits distributions to Euro 447 million[9] until 30 September 2021.

Consequently, in 2021, the cash distribution of Euro 268 million was paid on 21 April 2021 and the SBB (share buy back) distribution of Euro 179 million, approved by ECB and AGM, is expected to be completed by the end of 3Q21. In addition, a resolution for an extraordinary distribution of capital after 1 October 2021 has been approved by the AGM in April 2021 for an amount of Euro 652 million, entirely in the form of share buybacks, subject to ECB approval.

[9] Calculated as 15 per cent. ("ECB cap") of the cumulated stated net profits for the years 2019 and 2020, adjusted as per ECB recommendation. The additional 20 bps of CET1r limit, introduced by ECB, is less stringent for the Group thus it does not apply. Ordinary distribution (Euro 447 million): 60 per cent. cash (Euro 268 million), 40 per cent. Share buyback (Euro 179 million) ('SBB'). Ordinary cash distribution: Euro 0.12 per share, approved by AGM, Ex-dividend date 19 April 2021, record date 20 April 2021 and payment date 21 April 2021. Ordinary SBB distribution has been approved by Competent Authorities and AGM. Ordinary SBB execution is expected to be completed by end of 3Q21. In addition, the AGM held in April 2021 has authorized an extraordinary capital distribution (Euro 652 million): 100 per cent. SBB. The extraordinary SBB distribution is subject to supervisory approval and to the condition that on 30 September 2021 the ECB will repeal the recommendation of 15 December 2020. Extraordinary SBB execution expected to commence not before 1 October 2021.

CET1 MDA buffer fully loaded remains well above 200-250 bps targets. UniCredit remains committed to gradually return excess capital vs. MDA buffer to shareholders subject to receive regulatory "green light". Capital distribution policy confirmed with 50 per cent. ordinary payout (max 30 per cent. cash, min 20 per cent. share buyback). Medium to long term CET1 MDA buffer target confirmed at 200-250 bps.

Considering the above, the Issuer evaluates that the materiality of such risk shall be high.

Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. Following the COVID-19 outbreak, it cannot be excluded that credit quality for this year could be influenced with potential impacts not yet quantifiable. From the main effects of COVID-19 observed impacting on UniCredit risk profile in 2020, it is important to notice the worsening of the cost of risk because of higher provisions on loans. The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

The Group realized LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

In 1Q21, the Group realized Loan Loss Provisions totaled Euro 167 million (-86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

In the context of credit activities, this risk involves, among other things, the possibility that the Group's contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions.

Other banking activities, besides the traditional lending and deposit activities, can also expose the Group to credit risks. "Non-traditional" credit risk can, for example, arise from: (i) entering derivative contracts; (ii) buying and selling securities, currencies or goods; and (iii) holding third-party securities. The counterparties of said transactions or the issuers of

securities held by Group entities could fail to comply due to insolvency, political or economic events, lack of liquidity, operating deficiencies, or other reasons.

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined risk's levels pursuant to the procedures, rules and principles it has adopted. The importance of reducing the ratio of non-performing loans to total loans has been stressed on several occasions by the supervisory authorities, both publicly and within the ongoing dialogue with the Italian banks and, therefore, with the UniCredit Group.

The credit risk inherent in the traditional activity of providing credit is material, regardless of the form it takes (cash loan or endorsement loan, secured or unsecured, etc.).

With regard to "non-traditional" credit risk, the UniCredit Group negotiates derivative contracts and repos on a wide range of products, such as interest rates, exchange rates, share prices/indices, commodities (precious metals, base metals, oil and energy materials), both with institutional counterparties, including brokers and dealers, central counterparties, central governments and banks, commercial banks, investment banks, funds and other institutional customers, and with non-institutional Group customers. These operations expose the UniCredit Group to the risk of counterparty, which is the risk that the counterparty may become insolvent before the contract matures, not being able to fulfil its obligations towards to the Issuer or one of the other Group companies.

As at 31 March 2021, Group gross NPEs were down by 10.0 per cent. Y/Y and up by 5.5 per cent. Q/Q to Euro 22.4 billion in 1Q21 (while as at 31 December 2020 they were equal to Euro 21.2 billion) with a worsened gross NPE ratio of 4.8 per cent. (-0.1 p.p. Y/Y, +0.3 p.p. Q/Q), while as at 31 December 2020 the gross NPE ratio was equal to 4.5 per cent.

As at 31 March 2021, Group Net NPEs stood at Euro 9.4 billion increased compared to 31 December 2020 (Group Net NPE ratio increased compared to 31 December 2020 and is equal to 2.1 per cent.).

As at 31 March 2021, the Group excluding Non Core gross NPEs increased to Euro 18.8 billion (+7.3 p.p Q/Q, +12.0 p.p Y/Y while as at 31 December 2020 they were equal to Euro 17.6 billion), while Group excluding Non Core Net NPEs were slightly increased to Euro 8.6 billion.

The NPL ratio for UniCredit, using the EBA definition, is 2.8 per cent. in 1Q21 compared to weighted average of EBA sample banks of 2.6 per cent.

For more information on European legislative initiatives on Non-Performing Loans, please see Section headed "*Description of the Issuer*", paragraph headed "*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*" of this Prospectus.

Furthermore, since 2014, the Italian market has seen an increase in the number of disposals of non-performing loans, characterised by sale prices that are lower than the relative book

values, with discounts greater than those applied in other European Union countries. In this context, the UniCredit Group has launched a structured activity to reduce the amount of non-performing loans on its books, while simultaneously seeking to maximise its profitability and strengthen its capital structure.

In the last years, also in accordance with the EBA Guidelines of 31 October 2018 on management of non-performing and forborne exposures for credit institutions with a gross NPL ratio greater than 5 per cent., the Group has adopted a strategic plan to reduce Non-Performing Exposures ("**NPE**") and operational and governance systems to support it.

Starting from the year 2015, the overall reduction of the Group's NPEs amounted to about Euro 55 billion, moving from Euro 77.8 billion of 2015 to Euro 22.4 billion of 1Q21 (Euro 21.2 billion of 2020). This amount includes the loans disposed through Project Fino in July 2017 and IFRS 5 positions.

Building on the experience gained in Transform 2019, according to the Strategic Plan 2020-2023, the Group will continue to manage NPEs proactively to optimise value and capital.

Following the COVID-19 outbreak it cannot be excluded that, credit quality for this year could be influenced with potential impacts not yet quantifiable. From the main effects of COVID-19 observed impacting on UniCredit risk profile in 2020, it is important to notice the worsening of the cost of risk because of higher provisions on loans.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

In order to mitigate the negative consequences caused by the restrictive measures adopted to contain the COVID-19 outbreak, several countries in which the Group operates have enacted national provisions to postpone the payment of the instalments upon request of customers or automatically (the so-called "*moratoria*").

In accordance with ESMA statements of 25 March 2020, the Group has not derecognised credit exposures that were subject to such *moratoria*.

LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default). The specific cost of risk, including only the specific LLPs was 47 bps, still under control despite COVID-19.

In order to cope with the extraordinary contingency of COVID-19 and the peculiar dynamic of a deflated default risk observed in the course of 2020 as a consequence of supporting measures and a potential cliff-effect in 2021 when the measures will expire, an upward corrective factor has been applied on both the 2020 default rate and the 2021 forecast

underlying the updated calibration of IFRS models for the 31 December 2020 figures and likely postponement of part of default risk in 2021.

It is worth pointing out that the measurement is affected by the already mentioned degree of uncertainty on the evolution of the pandemic, the effect of the relief measures and, ultimately, the existence and degree of economic recovery. The evolution of these factors may, indeed, require in future financial years the classification of additional credit exposures as non-performing thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the update in credit parameters. In this context it will be relevant, among other factors, the ability of the customers to service their debt once moratoria measures adopted by the Governments of the countries where the Group operates or voluntarily adopted by the Group's banks themselves, will expire.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

In 1Q21, Loan Loss Provisions (LLPs) totaled Euro 167 million (-86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio. The specific cost of risk, including only the specific LLPs was 18 bps, still under control despite COVID-19.

In light of the above, the Issuer evaluates that the materiality of both the credit risk and the risk of credit quality deterioration shall be medium-high.

Risks associated with the Group's exposure to sovereign debt

As at 31 March 2021, the Group's sovereign exposures in debt amounts to Euro 118,052 million (as at 31 December 2020 it amounted to Euro 110,542 million), of which about 85 per cent. concentrated in eight countries. In particular, the Group's exposure to Italian sovereign debt in debt securities amounts to Euro 46,318 million (at 31 December 2020 it amounted to Euro 42,638 million) and represents, respectively, over 39 per cent. of the Group's total sovereign exposure represented by debt securities (about 39 per cent. at 31 December 2020) and about 5 per cent. of the Group total assets (unchanged from 31 December 2020). Increased financial instability and the volatility of the market, with particular reference to the increase of credit spread, or the rating downgrade of sovereign debt, as well as the rating downgrade of Italian sovereign debt, or forecasts that such downgrades may occur, could negatively impact the financial position of UniCredit and/or the Group considering their exposure to sovereign debt.

*Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. For the purposes of the current risk exposure, positions held through Asset Backed Securities ("**ABS**") are not included.*

With reference to the Group's sovereign exposures in debt, the book value of sovereign debts securities as at 31 March 2021 amounted to Euro 118,052 million (as at 31 December 2020 it amounted to Euro 110,542 million), of which about the 85 per cent. was concentrated in eight countries, including: Italy with Euro 46,318 million (at 31 December

2020 it amounted to Euro 42,638 million), representing over 39 per cent. of the total (about 39 per cent. at 31 December 2020) and about 5 per cent. of the Group total assets (unchanged from 31 December 2020); Spain with Euro 17,243 million; Germany with Euro 13,705 million; Japan with Euro 8,536 million; Austria with Euro 4,967 million; United States of America with Euro 3,432 million; France with Euro 3,215 million and Romania with Euro 2,371 million.

As at 31 March 2021, the remaining 15 per cent. of the total sovereign exposures in debt securities, equal to Euro 18,265 million as recorded at the book value, was divided between 37_countries, including: Hungary (Euro 1,929 million), Bulgaria (Euro 1,913 million), Czech Republic (Euro 1,723 million), Portugal (Euro 1,693 million), Croatia (Euro 1,512 million), Russia (Euro 1,182 million), Ireland (Euro 1,096 million), Serbia (Euro 995 million), Poland (Euro 914 million), Israel (Euro 534 million) and Belgium (Euro 525 million). The exposures in sovereign debt securities relating to Greece are immaterial.

As at 31 March 2021, there is no evidence of default of the exposures in question.

Note that the aforementioned remainder of the sovereign exposures held as at 31 March 2021 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 2,617 million (as at 31 December 2020 it amounted to Euro 2,275 million).

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies.

Total loans to countries to which the total exposure is greater than Euro 130 million, which represented about 95 per cent. of said exposures, as at 31 March 2021, amounts to Euro 24,080 million (as at 31 December 2020 it amounted to Euro 25,009 million).

Furthermore, it should be noted that one of the pillars of the Strategic Plan 2020-2023 is the capital and balance sheet management, according to which the strengthening of the balance sheet will continue with the ongoing, gradual alignment of the domestic sovereign bond portfolio with those of Italian and European peers.

Risks relating to deferred taxes

*As at 31 December 2020, UniCredit recognized Deferred Tax Assets ("**DTAs**") for Euro 11,361 million, of which Euro 7,491 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 ("**Law 214/2011**"). As of 31 December 2019, DTAs totally amounted to Euro 12,129 million, of which Euro 8,302 million available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2020 was paid on 26 June 2020 for an amount equal to Euro 112 million.*

*The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12, which takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which tax loss carry forward ("**TLCF**") can be offset.*

If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement

estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and / or the Group could occur.

Following the outbreak of the COVID-19 pandemic, on 17 March 2020, Law Decree No. 18 ("**Cura Italia Decree**") has been adopted, which, among other things, provides special measures to mitigate the effects of COVID-19 for taxpayers. In particular, Article 55 of the Cura Italia Decree allows to convert DTAs into tax credits, following the disposal of non-performing loans to legal entities not belonging to the Group by 31 December 2020. The conversion into tax credits applies to the DTA's on TLCF and allowance for corporate equity ("**ACE**") surpluses, also in case the DTA's are off balance sheet. As of 31 December 2020, Euro 110 million of DTA's were converted into tax credits.

As at 31 December 2020, UniCredit recognized DTAs for Euro 11,361 million, of which Euro 7,491 million may be converted into tax credits pursuant to Law 214/2011. As of 31 December 2019, DTAs totally amounted to Euro 12,129 million, of which Euro 8,302 million available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2020 was paid on 26 June 2020 for an amount equal to Euro 112 million.

As at 31 December 2020, the remaining Deferred Tax Assets (i.e., DTAs non-convertible into tax credits) are related to costs and write-offs deductible in future years, for Euro 2,749 million (net of related deferred tax liabilities), and to tax losses carried forward (TLCF) for Euro 1,120 million (of which Euro 982 million DTAs on TLCF and Euro 138 million tax credit IRAP deriving from the conversion of the ACE benefit). DTAs on TLCF are mainly related to UniCredit S.p.A., also as Italian Tax Group Parent Company, for Euro 677 million, to UniCredit Bank Austria AG for Euro 210 million, and to UniCredit Bank AG for Euro 64 million.

The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12, which takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which TLCF can be offset.

At Group level total not recognized DTAs TLCF are equal to Euro 4,368 million mainly referred to UniCredit S.p.A. for Euro 3,392 million, to UniCredit Leasing S.p.A. for Euro 277 million and to Sub-groups UniCredit Bank AG for Euro 401 million and UniCredit Bank Austria AG for Euro 287 million.

If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and/or the Group could occur.

2. Risks related to the business activities and industry of the Issuer and of the Group

Liquidity Risk

*The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio ("**LCR**"), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100 per cent. from 2018 and which was equal to 180 per cent. in March 2021, whereas at 31 December 2020 was equal to 171 per cent. (calculated as the average of the 12 latest end of month ratios), and (ii) the Net Stable Funding Ratio ("**NSFR**"), which represents the indicator of structural liquidity and which in March 2021 was above the internal limit set at 102.5 per cent., whereas at 31 December 2020 was above the internal limit set at 101.3 per cent. within the risk appetite framework. Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries. Due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" ("**TLTRO**") introduced in 2014 and the TLTRO II introduced in 2016. In March 2019, the ECB announced a new series of quarterly targeted longer-term refinancing operations ("**TLTRO-III**") to be launched in September 2019 to March 2021, each with a maturity of two years, recently shifted by an additional year. In March 2020, new long term refinancing operations ("**LTROs**") were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures.*

It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and / or the Group.

Funding liquidity risk refers to the risk that the Issuer may not be able to meet its payment obligations, including financing commitments, when these become due. In light of this, the availability of the liquidity needed to carry out the Group's various activities and the ability to fund long-term loans are essential for the Group to be able to meet its anticipated and unforeseen cash payment and delivery obligations, so as not to impair its day-to-day operations or financial position.

In order to assess the liquidity profile of the UniCredit Group, the following principal indicators are also used:

- the short-term indicator LCR, which expresses the ratio between the amount of available assets readily monetizable (cash and the readily liquidable securities held by UniCredit) and the net cash imbalance accumulated over a 30-day stress period; the indicator is subject to a minimum regulatory requirement of 100 per cent.; and
- the 12-month structural liquidity indicator NSFR, which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. While the LCR is already in force, the NSFR has been introduced as a requirement in the CRRII published in June 2019 and will apply from June 2021.

As of March 2021, the LCR of the Group was equal to 180 per cent. whereas at 31 December 2020 was equal to 171 per cent. (calculated as the average of the 12 latest end of month ratios). As of March 2021, the NSFR was above the internal limit of 102.5 per cent., whereas at 31 December 2020 was above the internal limit set at 101.3 per cent. set in the risk appetite framework.

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

As regards market liquidity, the effects of the highly liquid nature of the assets held are considered as a cash reserve. Sudden changes in market conditions (interest rates and creditworthiness in particular) can have significant effects on the time to sell, including for high-quality assets, typically represented by government securities. The "dimensional scale" factor plays an important role for the Group, insofar as it is plausible that significant liquidity deficits, and the consequent need to liquidate high-quality assets in large volumes, may change market conditions. In addition to this, the consequences of a possible decline of the price of the securities held and of a change in the criteria applied by the counterparties in repos operations could make it difficult to ensure that the securities can be easily liquidated under favourable economic terms.

In addition to risks closely connected to funding risk and market liquidity risk, a risk that could impact the day-to-day liquidity management is the differences in the amounts or maturities of incoming and outgoing cash flows (mismatch risk) and the risk that (potentially unexpected) future requirements (i.e. use of credit lines, withdrawal of deposits, increase in guarantees offered as collateral) may use a greater amount of liquidity than that considered necessary for day-to-day activities (contingency risk).

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the current health and economic emergency impacted the Group operations in the different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of Treasury activities and the proper information flows to the senior management and the Supervisors. Despite the overall liquidity situation of the Group is safe and under

constant control, some risks may materialize in the coming months, depending on the length of the current lockdown and expected economic recovery.

An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules and the measures announced by the ECB, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers.

As of March 2021, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 107.1 billion, with a timetable of maturities scheduled for June 2023 and March 2024.

Please find below the details of the TLTRO III participations of the Group with ECB:

TLTRO III

Effect from	Maturity	Amounts (Euro – billion)
24 June 2020	28 June 2023	94.33
24 March 2021	27 March 2024	12.7
Total		**107.1**

Risk related to the property market trends

The UniCredit Group is exposed to risks relating to the property market as a result of its significant property portfolio (both in Italy and abroad), as well as due to loans granted to companies operating in the commercial real estate market, whose cash flow is generated mainly by the rental or sale of commercial properties, and loans to individuals secured by real property. A downturn in property prices, also in light of COVID-19 pandemics, could cause to the UniCredit Group to have to recognize reduction in the value of the property owned where book value is higher than market value, with possible material adverse effects on the business, operating results and financial position of UniCredit and / or the Group.

Furthermore, the UniCredit Group has outstanding a significant amount of loans to individuals secured by residential property. Should property prices, which represents most of the collateral securing UniCredit Group loans, fall, the value of the collateral securing such loans would decline.

In this regard, starting from 31 December 2019 financial statements, the Group has decided to change the evaluation criterion of the Group's real estate portfolio, in particular for the properties used in business (ruled by IAS16 "Property, plant and equipment") providing for the transition from the cost model to the revaluation model for the measurement subsequent to initial recognition while for the properties held for investment (ruled by IAS40 "Investment property") providing for the transition from the cost model to the fair value model.

The Group has considered that the possibility of measuring real estate assets at current values (and no longer at cost) allows, in line with the provisions of IAS8 concerning changes in accounting principles, to provide reliable and more relevant information on the effects of business management as well as the Group's financial position and economic result.

As at 31 December 2020, fair value of both properties held for investment and properties used in business was re-determined through external appraisals.

The update of appraisals has led to an overall positive balance sheet effect of Euro 115 million gross of tax, as detailed below:

- for real estate assets used in business, the recognition of an increase in the specific valuation reserve for an amount of Euro 105 million gross of tax effect. In addition to this increase, net gains for Euro 6 million were recognised in the income statement gross of the tax effect;
- for real estate assets held for investment, the recognition of an income statement results equal to Euro 4 million gross of the tax effect.

It is worth to note that the valuation of properties at current values implies a possible risk of volatility as well as an increase of the so-called real estate risk. By reference to the real estate units held as at 31 December 2020 and their corresponding market value overall equal to Euro 5,961 million, has been estimated a sensitivity to the increase/decrease in real estate values of +/-1 per cent. equal to approximately Euro 60 million corresponding to approximately +/-2 basis point of CET1 ratio.

It must furthermore be noted that the measurement of inventories of property, plant and equipment, to the lower between cost and net realizable value, has determined the recognition of a write-down for Euro 20 million.

Furthermore, during the first half 2020, the Group has sold a real estate complex in Munich composed by both real estate assets held for investment and real estate assets used in business for a sale price equal to Euro 1,012 million.

This circumstance has determined for assets used in business, for which according to IAS8 the change to revaluation model is applied prospectively from 31 December 2019, the recognition of a gain on disposal for Euro 443 million (gross of tax) in the first half 2020 when these properties have been derecognised.

Conversely, for assets held for investments, for which according to IAS8 the change to fair value model is applied retrospectively, the adjustment to the sale price has already been recognized in the last quarter of 2019.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2020, Part B - Consolidated balance sheet - Assets - Section 9 - Property, plant and equipment - Item 90.

Risks connected with the UniCredit Group's activities in different geographical areas

The UniCredit Group operates in different countries and, therefore, the UniCredit Group's activities are affected by the macroeconomic context of the markets in which it operates.

Italy accounted for 48 per cent. of the UniCredit Group's total revenue during FY20[10] and is the Group's primary market. The UniCredit Group also operates and has a significant presence in Austria and Germany (which accounted for 10 per cent. and 23 per cent., respectively, of the UniCredit Group's total revenue for FY20). The deterioration in the macroeconomic conditions in either Austria, Germany or Italy (including the increase of domestic capital markets volatility) may adversely affect the UniCredit Group's profitability, as well as its assets and operations, balance sheet and/or income statement.

The Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in its macroeconomic environment. Economic forecasts and the current political and social health situation generate considerable uncertainty surrounding the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian Gross Domestic Product ("**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 and increases in the number of impaired loans and/or loan defaults, leading, among others, to an overall reduction in demand for services the Group offers. Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other countries of the Organization for Economic Co-operation and Development ("**OECD**") could have a material adverse effect on the Group's results of operations, business and financial condition.

The UniCredit Group operates and has a significant presence also in Central and Eastern European countries ("**CEE countries**") including, among others, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary, which accounted for 20 per cent. of the Group's total revenue for FY20. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country and whether the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

CEE countries will recover gradually from the COVID-19 induced decline in economic activity. While GDP could return to pre-pandemic levels by late 2021 in most CEE countries, services – especially tourism – and manufacturing with long global supply chains could lag in the recovery. The introduction of further sanctions remains a limited risk for Turkey. In addition, the economic recovery in Turkey remains vulnerable to global financial conditions, although the hawkish CBRT supports TRY financial assets.

For further information, see Risk "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak*".

Additional and adverse effects may result from the more restrictive CEE regulations as they may bind the Group to implement further recapitalization operations for its subsidiaries considering the risk of being subject to - among other things - regulatory and governmental initiatives of these countries. As a result, the UniCredit Group may be called upon to ensure a greater level of liquidity for its subsidiaries in these areas. Furthermore, the Group may

[10] Based on regional view.

have to increase impairments on loans issued due to a rise in estimated credit risk. Negative implications in terms of quality of credit could, specifically, involve the UniCredit Group's exposures denominated in Swiss francs (CHF) in selected CEE countries, also as a result of the decision by the Swiss Central Bank in January 2015 to remove the Swiss franc/Euro ceiling.

Finally it should be noted that, on the other hand, as a result of the financial crisis, in many of the countries in which the Group operates, the supervisory authorities have adopted measures aimed at reducing the exposure of banks operating within these territories to associated banks that operate in countries other than those in which the said authorities exercise their regulatory powers. In this context, some supervisory authorities have asked that the Group companies reduce their credit exposure to other Group companies and, in particular, their exposure to UniCredit. This has prompted UniCredit to implement self-sufficiency policies, based essentially on increasing the commercial funding and using financing from outside the Group where necessary.

The implementation of such policies could result in a deterioration, whether real or perceived, in the credit profile (particularly in Italy) and could have a significant negative effect on borrowing costs and, consequently, on the operating and financial results of the Issuer and of the Group.

Market risks

The UniCredit Group is exposed to Market Risk. Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. As at 31 December 2020, RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 9.1 billion out of a total of Euro 325.7 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 6,292 million) and the standardised approach (Euro 2,839 million). In addition, an additional capital requirement of Euro 507 million was introduced starting from 31 December 2019.

Therefore it is not possible to exclude, considering the trend of the market variables, possible negative effects on the activities and the economic, capital and/or financial situation of the Issuer and/or the Group.

Market risk management within the UniCredit Group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual companies making up the Group.

Specifically, the trading book includes positions in financial instruments and commodities held either for trading purposes or to hedge other elements of the trading book. In order to be subject to the capital treatment for the trading book in accordance with the applicable policy "Eligibility Criteria for the Regulatory Trading Book Assignment", the financial instruments must be free from any contractual restrictions on their tradability, or able to be

hedged. Furthermore, the positions must be frequently and accurately valued and the portfolio must be actively managed.

The risk that the value of a financial instrument (asset or liability, liquidity or derivative instrument) may change over time is determined by five standard market risk factors: (i) credit risk: the risk that the value of an instrument may decrease due to a change in credit spreads; (ii) share price risk: the risk that the value of an instrument may decrease due to changes in share prices or indices; (iii) interest rate risk: the risk that the value of an instrument may decrease due to a change in interest rates; (iv) exchange rate risk: the risk that the value of an instrument may decrease due to a change in exchange rates; and (v) commodity price risk: the risk that the value of an instrument may decrease due to a change in the prices of commodities (e.g. gold, crude oil).

The UniCredit Group manages and monitors its market risk using two sets of measures: (i) broad market risk measures; and (ii) granular market risk measures.

As at 31 December 2020, RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 9.1 billion out of a total of Euro 325.7 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 6,292 million) and the standardised approach (Euro 2,839 million). In addition, an additional capital requirement of Euro 507 million was introduced starting from 31 December 2019.

Interest rate fluctuation and exchange rate risk

The interest rate banking book, earnings and economic value are exposed to: changes in interest rate that may have a major negative impact in the value of the assets and liabilities held by the Group, change the behavioural model, change in basis of Interest rate curve tenor and changes of the Interest rate volatilities.

The UniCredit Group implements also a hedging policy of risks related to the fluctuation of interest rates. Such hedges are based on estimates of behavioural models and interest rate scenarios and aimed to mitigate the negative effect of an adverse and unexpected change of the interest rates on the activity, operating results and capital and financial position of the Group.

Furthermore, a significant portion of the Group's business is done in currencies other than Euros. Therefore, any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

It should be considered that UniCredit Group is mainly exposed to foreign-exchange risk toward the U.S. dollar.

The Market Risk impact on the Group is low, in coherence with the mission of the Group and it is tracked by an ad hoc Key Performance Indicator (KPI) on the Ratio between Market Risk-Weighted Assets (RWA) and Overall RWA.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2020, Part E – Information on risks and hedging policies, incorporated by reference herein.

Operational risk

The UniCredit Group is exposed to operational risk, namely the risk of suffering losses due to errors, violations, interruptions, damages caused by internal processes, personnel, strikes, systems (including IT systems on which the UniCredit Group depends to a great extent) or caused by external, unforeseen events, entirely or partly out of the control of the UniCredit Group (including, for example, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus / cyber attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realisation of one or more of these risks could have significant negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.

The complexity and geographical distribution of the UniCredit Group's activities requires a capacity to carry out a large number of transactions efficiently and accurately, in compliance with the various different regulations applicable.

The main sources of operational risk statistically include the instability of operational processes, poor IT security, excessive concentration of the number of suppliers, changes in strategy, fraud, errors, recruitment, staff training and loyalty and, lastly, social and environmental impacts. It is not possible to identify one consistent predominant source of operational risk.

The UniCredit Group has a framework for managing operational risks, comprising a collection of policies and procedures for controlling, measuring and mitigating Group operational risks. These measures could prove to be inadequate to deal with all the types of risk that could occur and one or more of these risks could occur in the future.

Referring to operational risks' effects arising from the COVID-19 pandemic, analysis were carried out in order to identify risks arising from process changes adopted time by time to protect the health of employees and customers.

With reference to the operational risks identified, the effectiveness of the risk mitigation measures was then assessed also through a comparative analysis between different Group Legal Entities. In addition, specific second-level controls were activated to oversee those areas that were subject to the most significant changes. A specific monitoring of operational incidents linked, even indirectly, to the entire COVID-19 pandemic has been created in order to promptly intercept potential process criticalities or inappropriate behaviours.

Moreover, in the context of its operation, the UniCredit Group outsources the execution of certain services to third companies, regarding, *inter alia*, banking and financial activities, and supervises outsourced activities according to policies and regulations adopted by the Group. The failure by the outsourcers to comply with the minimum level of service as determined in the relevant agreements might cause adverse effects for the operation of the Group.

The UniCredit Group has always invested a lot of efforts and resources in upgrading its IT systems and improving its defence and monitoring systems. Based also on the Strategic Plan 2020-2023, operational risk remains a significant focus for the Group, with reinforced controls of business and governance process across all legal entities and with the launch of a

permanent optimisation of work process. However, possible risks remain with regard to the reliability of the system, the quality, integrity and confidentiality of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the operations of the UniCredit Group, as well as on the capital and financial position of the Issuer and/or the Group.

Some of the more serious risks relating to the management of IT systems that the UniCredit Group has to deal with are possible violations of its systems due to unauthorised access to its corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the Internet. Similar attempts have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Group and its customers and can have negative effects on the integrity of the Group's IT systems, as well as on the confidence of its customers and on the actual reputation of the Group, with possible negative effects on the capital and financial position of the Issuer and/or the Group.

The UniCredit Group is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. While the Group has internal procedures that are responsive to applicable regulation, it remains exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorized by the customer, including by unauthorized parties (such as third parties or Group employees) or with insufficient lawful basis (e.g. Standard Contractual Clauses to be signed in case of transfer of personal data outside EEA as per European Court of Justice decision of July 2020[11]). Examples of data processed for purposes other than those for which they were collected or by unauthorised parties may be: the viewing of data by employees outside their work duties or for clients of other branches/portfolios of other managers; the employee of a supplier, appointed as Data Processor, processing the data with procedures/methods or for purposes other than those stated in the Data Processing Agreeement.

With reference to the insufficient lawful basis, the European Court of Justice, in the aforementioned decision, confirmed the validity of Standard Contract Clauses as an instrument of transfer/lawful basis, but added the responsibility, on the "exporter" of the personal data, to assess whether the country of destination of the data offers a level of protection of the righs and freedoms of the data subject equal to the one guaranteed in Europe, by Regulation (EU) 2016/679. Moreover, the European Data Protection Board has stated, in documents released after the decision, that even simple access to the data (i.e. by an employee of the third company engaged for IT platform maintenance activities) may constitute a transfer of personal data. Thus, the potential risk is that personal data may be processed by third parties, appointed as Data Processor, from countries outside the European Economic Area without the presence of Standard Contract Clauses and/or without an adequate assessment by the data controller of the privacy rules in the destination country.

[11] Judgment in Case C-311/18, Data Protection Commissioner v Facebook Ireland and Maximillian Schrems, that invalidated the adequacy decision of personal data protection provided by the “EU-US Data Protection Shield”.

Considering the above, it should be noted that the UniCredit Group, over the past few years, has been subject to cyber-attacks which led, even though only in a few limited cases, to the theft of personal data. In this regard, taking into account the type of risks detected, UniCredit, in addition to strengthening the protection measures already in place, carried out a wide and in-depth assessment of the effects that may derive also for financial statements purposes.

In this regard, it should be noted that on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. It is currently not possible to define the timeline and outcome of the proceedings.

In addition, the investment made by the UniCredit Group of relevant resources in software development creates the risk that when one or more of the above-mentioned circumstances occurs, the Group may suffer financial losses if the software is destroyed or seriously damaged, or will incur repair costs for the violated IT systems, as well as being exposed to regulatory sanctions.

Starting from 2018, the UniCredit Group has subscribed a Cyber Insurance Policy with European Insurance Companies with adequate rating and with reasonably high limits, to cover damages, in compliance with the current local legislation, caused by data breaches and other cyber-attacks on the IT systems, except for compensation for sanctions where national law does not allow it.

Risks connected with legal proceedings

Risks connected with legal proceedings in progress

As at the date of this Prospectus, UniCredit and other UniCredit Group companies are named as defendants in several legal proceedings. In particular, as at 31 December 2020, UniCredit and other UniCredit Group companies were named as defendants in about 37,900 legal proceedings of which approximately 9,200 involving UniCredit (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit Group may not lawfully know about or communicate.

Risk arising from legal pending proceedings consists in the possibility for UniCredit to bear claims for damages in case of unfavourable outcome of such proceedings.

In many of these cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. These cases include criminal proceedings, administrative proceedings brought by supervisory or prosecution authorities and/or claims in which the claimed damages and/or potential liabilities of the Group is not and cannot be determined, either because of how the claims is presented and/or because of the nature of the legal proceeding. In such cases, until the time when it will be possible to estimate reliably the potential outcome, no provisions are made. Instead, where it is possible to estimate reliably the amount of possible losses and loss is considered likely, provisions have

been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances and in accordance with IAS.

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 31 December 2020, the UniCredit Group set aside a provision for risks and charges of Euro 655.9 million, of which Euro 370.7 million for the parent company UniCredit S.p.A. As of 31 December 2020, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 10 billion, of which approximately Euro 6.6 billion for the proceedings involving the parent company UniCredit S.p.A. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

It is also necessary for the Group to comply in the most appropriate way with the various legal and regulatory requirements in relation to the different aspects of the activity such as the rules on the subject of conflict of interest, ethical questions, anti-money laundering, EU, US and international sanctions, customers' assets, rules governing competition, privacy and security of information and other regulations.

For further information in relation to the single legal and arbitration proceedings please see Section headed "*Legal and Arbitration proceedings*" in the "*Description of the Issuer*" of this Prospectus.

Risks arising from tax disputes

At the date of this Prospectus, there are various tax-related proceedings pending with regard to UniCredit and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates. In consideration of the uncertainty that defines the tax proceedings in which the Group is involved, there is the risk that an unfavourable outcome and/or the emergence of new proceedings could lead to an increase in risks of a tax nature for UniCredit and/or for the Group, with the consequent need to make further provisions and/or outlays, with possible negative effects on the operating results and capital and/or financial position of UniCredit and/or the Group.

Specifically, as at 31 December 2020, there were 346 tax disputes involving counterclaims pending with regard to UniCredit and other companies belonging to the UniCredit Group's Italian perimeter, net of settled disputes, for a total amount equal to Euro 110.32 million.

As of 31 December 2020, the total amount of provisions for tax risks related to legal proceedings, inspections, and tax credits amounted to Euro 180.8 million, of which Euro 6.4 million for legal expenses.

As far as the tax inspections and tax disputes are concerned, in relation to 31 December 2020, reference is made to Section headed "*Legal and Arbitration proceedings*" of this Prospectus.

Finally, it should be pointed out that in the event of a failure to comply with or a presumed breach of the tax law in force in the various countries, the UniCredit Group could see its tax-related risks increase, potentially resulting in an increase in tax disputes and possible reputational damage.

For further information in relation to the tax proceedings please see Section headed "*Legal and Arbitration proceedings*" in the "*Description of UniCredit and the UniCredit Group*" of this Prospectus.

3. Risks connected with the legal and regulatory framework

Basel III and Bank Capital Adequacy

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

Should UniCredit not be able to meet the capital requirements imposed by the applicable laws and regulations, it may be required to maintain higher levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and Regulation 2013/575/EU (the "**CRR**", and, together with the CRD IV Directive, the "**CRD IV Package**") subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the "**Banking Reform Package**" with CRRII and CRDV). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the Minimum Requirement for Own Funds and Eligible Liabilities**,** or "**MREL**"). The Issuer has to meet MREL requirements on a consolidated basis, as well as the standard on total loss absorbing capacity for systemically important banks ("**TLAC**"). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. The Banking Reform Package also contains the Directive (EU) 2019/879 ("**BRRD II**"), which amended the BRRD, introducing, inter alia, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

For more information on the capital adequacy legislation applicable to the Issuer, please see Section headed "*Description of the Issuer*", paragraph headed "*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*" of this Prospectus.

Capital Adequacy requirements

The ECB is required under the Council Regulation (EU) No. 1024/2013 (the SSM Regulation establishing the Single Supervisory Mechanism ("**SSM**")) to carry out a Supervisory Review and Evaluation Process ("**SREP**") at least on an annual basis. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

In December 2019, UniCredit has been informed by ECB of its final decision concerning capital requirements following the results of its annual SREP. With its decision, the Single Supervisor has lowered, compared to the SREP decision of the previous year, the Pillar 2 capital requirement by 25 basis points to 175 basis points, applicable from 1 January 2020. As a consequence, UniCredit was required to meet the following overall capital requirements on a consolidated basis from 1 January 2020:

- Common Equity Tier 1 ratio 9.84 per cent.;
- Tier 1 ratio 11.34 per cent.;
- Total Capital ratio 13.34 per cent.[12].

Furthermore, the SREP 2019 letter includes, among the qualitative measures, the same regarding the management of non-performing loans as in the previous year. Indeed, following the ECB's request to banks in countries with relatively high levels of non-performing loans, the Issuer has been requested to:

i. provide the ECB by 31 March 2020 with an update of the three-year strategic and operational plan for the management of NPEs, including clear quantitative targets aimed at reducing the high level of NPEs;

ii. provide the ECB, by 31 August 2020 and based on data as at 30 June 2020, with information on the status of implementation of the strategic and operational plan for the management of NPEs.

Subsequently, within the framework of the ECB's actions to mitigate the impact of COVID-19 and allow banks to focus on related operations, the above deadlines were initially amended to 30 September; last July they were postponed to 31 March 2021 in order to provide banks with additional time to better estimate the impact of the COVID-19 pandemic on asset quality.

[12] Assuming the Countercyclical Capital Buffer equal to the 2019 year-end value. The Countercyclical Capital Buffer ("**CCyB**") depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities, and may therefore vary on a quarterly basis over the reporting period.

It should also be noted that the ECB indicated in its SREP 2019 letter the Group's activities in Russia and Turkey as an area of weakness, uncertainty and potential risk due to potential macroeconomic and political developments in these countries.

In addition, in April 2020, following the COVID-19 emergency, the ECB has amended its SREP 2019 decision establishing that the Pillar 2 requirement ("**P2R**") shall be held in the form of 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, as a minimum (in the original decision the P2R was to be held entirely in the form of Common Equity Tier 1 Capital).

This implies that UniCredit and the other Banks supervised by ECB are allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the P2R instead of Common Equity Tier 1 ("**CET1**") capital. This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive ("**CRD V**").

The early introduction of this measure brings further improvement in the UniCredit Capital adequacy, as UniCredit's Overall Capital Requirement to be held in form of CET1 Capital is lowered by maximum 77 bps, as a function of how Tier 1 and Total Capital compares with their respective requirements (i.e. being UniCredit's P2R equal to 175 bps it can be covered by maximum 77 bps by Additional Tier 1 and Tier 2 instruments of which maximum 44 bps can be covered by Tier 2 instruments).

As a consequence of all what above and of the decision adopted by the competent National Authorities concerning the Countercyclical Capital Buffers, as of 31 December 2020, UniCredit shall meet the following overall capital requirements on a consolidated basis:

- Common Equity Tier 1 ratio 9.03 per cent.;
- Tier 1 ratio 10.85 per cent.;
- Total Capital ratio 13.29 per cent..

On 12 May 2020, ECB Banking Supervision announced it had adjusted its SREP approach for 2020 in light of the COVID-19 pandemic. The European Banking Authority ("**EBA**") also published on 23 July Guidelines for competent authorities for the special procedure for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of this pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile.

The ECB in fact announced that only in exceptional cases it would have updated the banks' current requirements and that it would not issue SREP decisions for the 2020 SREP cycle. The 2019 SREP decisions therefore would not be superseded nor amended and would remain in force (as amended by the March 2020 ECB Decisions changing the P2R compositions).

An operational letter from the ECB on 24 November 2020 confirmed this approach for UniCredit and the ECB did not make a formal 2020 SREP decision. Consequently, the abovementioned requirements as of 31 December 2020 are in force also for 2021 (except for any change in the countercyclical capital buffer, which is updated every quarter).

As of 31 December 2020, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital Transitional ratios) were equal to, respectively, 15.96 per cent., 18.22 per cent. and 20.72 per cent. with an excess of CET1 with respect to the requirement which the Group shall comply with (so called MDA buffer) of 693 bps.

It should be noted that from 30 June 2020 the Group has adopted the so called transitional phase-in regarding the application of the IFRS9 accounting principle, that implies a difference between the CET1 ratio Transitional (relevant for the respect of capital requirements) and the CET1 ratio Fully Loaded. As of 31 December 2020, the CET1 Fully Loaded of the Group was equal to 15.14 per cent., exceeding by 611 bps the fully loaded minimum capital requirements for CET1 ratio.

As of 31 December 2020, the fully loaded leverage ratio was 5.70 per cent., while the transitional leverage ratio stood at 6.21 per cent.

As a consequence of all what above and of the decision adopted by the competent National Authorities concerning the Countercyclical capital buffers, as of 31 March 2021, UniCredit shall meet the following overall capital requirements on a consolidated basis:

- Common Equity Tier 1 ratio: 9.03 per cent.
- Tier 1 ratio: 10.86 per cent.
- Total Capital ratio: 13.30 per cent.

As of 31 March, 2021, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital Transitional ratios) were equal to, respectively, 16.54 per cent., 18.80 per cent. and 21.60 per cent. with an excess of CET1 with respect to the requirement which the Group shall comply with (so called MDA buffer) of 751 bps.

As of 31 March, 2021 the CET1 Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, ratio of the Group was equal to 15.92 per cent. exceeding by 689 bps the fully loaded minimum capital requirements for CET1 ratio.

Always as of 31 March, 2021, the fully loaded leverage ratio was 5.68 per cent., while the transitional leverage ratio stood at 6.09 per cent.

UniCredit participated in the 2019 stress test conducted by the ECB, the "Sensitivity analysis of Liquidity Risk - Stress Test 2019", which was an analysis based on idiosyncratic liquidity shocks with no macro-economic scenario nor market risk shocks. The outcome has been included into the SREP 2019. The sensitivity analysis also aimed to integrate the ECB SREP analyses with respect to banks' ILAAP and to deep-dive on certain aspects of their liquidity risk management, such as the ability to mobilize collateral and impediments to collateral flows. No individual results have been published by the ECB.

It should be noted that if UniCredit participates in a new stress test, it may face a potential increase in minimum capital requirements, in the event that the Group is identified as vulnerable to the stress scenarios designed by the supervisory authorities. In this context, it should be noted that UniCredit is participating in the 2021 EBA EU-wide Stress Test, coordinated by the EBA together with the ECB, the European Systemic Risk Board and the

competent national authorities, originally planned for 2020 but postponed in order to reduce the operational burden in the COVID-19 context. The results for the individual banks will be published at the end of July 2021.

During the fourth quarter of 2020, EBA performed an additional EU-wide transparency exercise to provide updated information as of June 2020 on banks' exposures and asset quality to financial operators; EBA published the results in the beginning of December 2020.

It should be noted that, on 12 March 2020, the ECB, taking into account the economic effects of COVID-19, announced certain measures aimed at ensuring that banks, under its direct supervision, can continue to provide credit support to the real economy.

Considering that the European banking sector acquired a significant amount of capital reserves (with the aim of enabling banks to face with stressful situations such as COVID-19), the ECB allows banks to operate temporarily below the capital level defined by the Pillar 2 Guidance ("**P2G**") and the capital conservation buffer ("**CCB**"). Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the countercyclical capital buffer by the competent national authorities.

Moreover, due to the COVID-19 outbreak, with the recommendation of 27 March 2020 the ECB recommended that at least until 1 October 2020 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by the credit institutions for the financial year 2019 and 2020 and that credit institutions refrain from share buy-backs aimed at remunerating shareholders.

Therefore, in order to be compliant with the ECB's recommendation, on 29 March 2020 the Board of Directors resolved to withdraw the proposed resolutions (i) to distribute a FY19 dividend and (ii) to authorize a share buyback and (iii) to cancel the treasury shares that may be purchased under the above mentioned authorisation, which were to be submitted for the Shareholders' Meeting convened on 9 April 2020.

Therefore, in March 2020, the Group released the FY19 dividend deducted up to December 2019 from CET1 capital for prudential purposes, with a positive effect of 37 basis points on the CET1 capital ratio.

Since the ECB, on 28 July 2020, extended its recommendation to banks on dividend distributions and share buy-backs until 1 January 2021 and asked banks to be extremely moderate with regard to variable remuneration, UniCredit has not paid dividends nor done share buybacks in 2020. This was neutral for coupon payments on AT1 bond and cashes instruments.

On 15 December 2020, updating the communication of 28 July 2020, the ECB published the Recommendation 2020/62 "on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/35". The recommendation asks banks to "refrain from or limit dividends until September 2021"; banks are asked to limit dividends to the lower between (i) 15 per cent. of cumulated 2019-20 adjusted profits and (ii) 20 bps of CET1 ratio. At UniCredit, the lower value is represented by the 15 per cent. (ECB cap) of the cumulated stated net profits for the years 2019 and 2020, adjusted, as per ECB recommendation.

In particular, in accordance with the ECB recommendation, the cumulated 2019-20 adjusted profit at consolidated level, on which the 15 per cent. payout ratio is applied, is calculated by adjusting the profit/loss result for the following items: (i) goodwill and intangible assets impairment, (ii) impairment of deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities, (iii) reclassifications from other comprehensive income into profit and (iv) distribution related to AT1 instruments charged against equity.

The amount resulting from such calculation is equal to a total amount of Euro 447 million, whose distribution for (i) 60 per cent. has been paid via cash dividends (equal to Euro 268 million) on 21 April 2021 following the approval by the Shareholders' Meeting and (ii) 40 per cent. will be made via shares buy-back ("SBB", equal to Euro 179 million) already authorized by the Shareholders' Meeting and ECB which is expected to be completed by the end of 3Q21. The cash component was already deducted from Own Funds in 4Q 2020, while the shares buy-back component has been deducted from 1Q 2021, once the ECB authorization has been released.

In addition, the AGM in April 2021 has approved an extraordinary capital distribution for an amount of Euro 652 million, entirely in the form of share buybacks. This extraordinary capital distribution is subject to the approval of the competent authorities and conditioned to that on 30 September 2021 the ECB will repeal the recommendation of 15 December 2020. This extraordinary SBB execution is expected to commence not before 1 October 2021.

Moreover, always conditional to the repeal of the recommendations on dividend distribution, UniCredit will–re-instate the capital distribution policy in 2021 for financial year 2020 and the following years. This means UniCredit targets to distribute 50 per cent. of underlying net profit to shareholders through a maximum 30 per cent. cash dividend payout of the underlying net profit and minimum 20 per cent. for share buyback. Based on the market environment, the Group could review the split between cash dividend and share buyback.

To conservatively account for its capital position, UniCredit has started from March 2021 to accrue the cash dividend for 2021 at a rate of 30 per cent. of the underlying net income, while the share buy back is subject to regulatory approval and the related deduction from CET1 capital for prudential purposes will be done in Spring 2022 immediately following such regulatory approval.

Having regard to the assessments made in relation to the probability of the occurrence of such risk and the extent of any negative impact, the Issuer evaluates that the materiality of such risk shall be medium-high.

Evolution of banking prudential regulation

The Group and the Issuer operate in a stringent and detailed regulatory context and are subject to the supervision by the competent supervisory authorities (i.e. ECB, Bank of Italy, CONSOB). Either the regulatory framework and the supervision activity are subject to ongoing changes in the law and ongoing developments respectively. Moreover, being a listed issuer, the Issuer shall comply with all the further provisions enacted by CONSOB. Together

with all these laws and regulations, the Issuer shall also comply with, by way of example but not limited to, anti-money laundering, usury and consumer protections legislations.

Notwithstanding the Issuer undertakes to comply with all the applicable statutory provisions, the risk of non-compliance with different legal and regulatory requirements could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage, and in extreme scenarios, to the suspension of operations or even withdrawal of authorization to pursue business.

The banking and financial regulatory framework to which the Group is subject is extremely stringent and detailed. The Issuer is also subject to the supervision by the competent supervisory authorities, including ECB, Bank of Italy and CONSOB.

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

For more information on legislation applicable to the Issuer, please see section headed "*Description of the Issuer*", paragraph headed "*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*" of this Prospectus.

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

The Issuer and the Group shall comply with the contribution obligations required by the bank resolution legislation. Should the amount of ordinary contributions requested to Group companies increase, the Group's profitability would decrease and the level of capital resources of the Issuer and the Group would be negatively affected; should extraordinary contributions be requested to the Group, this could have a negative impact, even significant, on financial position and economic results of the Group.

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

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

In addition, it is not possible to rule out that, even in future, as a result of events that cannot be controlled or predetermined, the Deposit Guarantee Scheme, the Single Resolution Fund, the National Resolution Fund and/or the Fondo Interbancario di tutela dei depositi, do not find themselves in a situation of having to ask for more, new extraordinary contributions.

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

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the Issuer's audited consolidated annual financial report at 31 December 2020, incorporated by reference herein.

Risks connected with the entry into force of new accounting principles and changes to applicable accounting principles

The UniCredit Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, in the future, the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years, and this could lead the Group to having to restate financial data published previously.

In 2020 the following standards, amendments or interpretations came into force:

- Amendment to IFRS16 Leases COVID-19 Related Rent Concessions (EU Regulation 2020/1434);
- Amendments to IFRS3: Business Combinations (EU Regulation 2020/551);
- Amendments to IFRS9, IAS39 and IFRS7: Interest Rate Benchmark Reform (EU Regulation 2020/34);
- Amendments to IAS1 and IAS8: Definition of Material (EU Regulation 2019/2104);
- Amendments to References to the Conceptual Framework in IFRS Standards (EU Regulation 2019/2075);

whose adoption has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 31 December 2020, the accounting standard "Amendments to IFRS4 Insurance Contracts - deferral of IFRS9" (EU Regulation 2020/2097) applicable to reporting starting from 1 January 2021 has been endorsed by the European Commission.

As at 31 December 2020, the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Union, which is still ongoing:

- IFRS17 Insurance Contracts (May 2017) including Amendments to IFRS17 (June 2020);
- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively);

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (May 2020);
- Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16 Interest Rate Benchmark Reform - Phase 2 (August 2020). It should be noted that these amendments have been endorsed by the competent bodies of the European Union on 13 January 2021. The Group has not early adopted these amendments.

FACTORS THAT MAY AFFECT THE OBG GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE OBG ISSUED UNDER THE PROGRAMME

1. Risks related to the OBG Guarantor

OBG Guarantor is 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 by the OBG Guarantor

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 the Account Bank 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), the Account Bank (as defined below) 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 after 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), 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 in the amounts available to the OBG Guarantor to meet its obligations under the OBG Guarantee.

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 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 an Eligible Institution 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.

2. Risks related to the underlying

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:

- 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);
- 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
- 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 OC 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) the Seller 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 the Seller (and included within the Capitalia Group banks) and (iv) the Seller 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 Rating Agency and the Representative of the OBG Holders and, if provided for under the relevant agreement, confirmation by the same Rating Agency that the relevant amendment does not impact the rating assigned to the OBG.

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 (as Issuer and Seller) in relation to such sale, (ii) with respect to the purchase of Assets and Integration Assets, prior notification to the Rating Agency that Additional Sellers will sell Assets and Integration Assets, (iii) 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 and (iv) 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 service of a Notice to Pay

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) sell Selected Assets (selected on a Random Basis) in accordance with, and subject to, the terms of 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 less than an amount equal to the Required Redemption Amount for the relevant Series or Tranche of 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 Required Redemption Amount.

Realisation of assets following the service of a Guarantor Acceleration Notice

If a Guarantor Acceleration Notice is served on the OBG Guarantor, then the OBG Guarantor is obliged to sell the Selected Assets 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 on the amounts due in respect of Assets and Integration Assets;

(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) adverse fluctuation of interest rates;

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

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

(ix) 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) and without duplication to the above) to enable the OBG Guarantor to repay the OBG following an Issuer Event of Default, 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 OBG 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 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 and any Additional Seller (if any) 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 or the Integration Assets for a variety of reasons. The Assets and Integration Assets are affected by credit, liquidity and interest rate risks. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors may lead to an increase in default by the borrowers and could ultimately have an adverse impact on the ability of borrowers to repay the Assets or Integration Assets. 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.

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) such Mortgage Receivables as were originated by it were originated in accordance with the Seller's lending criteria applicable at the time of origination and (b) such Mortgage Receivables as were 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.

Mortgage Loans performance

There can be no guarantee that the relevant Debtors will not default under the mortgage loans and that they will therefore continue to perform. The recovery of amounts due in relation to non-performing loans will be subkect to the effectriveness of enforcement proceedings in respect of the mortgage loans, which in the Republic of 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 loans and the relevant mortgages may take longer than the national average; obtaining title deeds from land registries which are in the 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 or contrerclaim to the proceedings. According to statistics published by the Ministry of Justice in 2013 with regard to data as at 2011, the recovery period for loans in respect of which recovery is by foreclosure proceedings oin trhe related mortgaged real estate usually lasts three years and six months, although such period may vary significantly depending upon, *inter alia*, the type and location of the related mortgaged real estate and the other factors described above.

Recently, new legal provisions have been introduced in order to speed up legal proceedings. In particular, Law Decree No. 59 of 2 May 2016, as converted into Law No. 119 of 30 June 2016, implemented new provisions in the Royal Decree No. 267 of 16 March 1942 and the Italian Civil Procedure Code aimed at:

(i) Amending the provisions of Insolvency Law, by introducing the possibility of using electronic technologies for hearings and for meetings of creditors. Furthermore, failure to comply with the time limits established for the proceeding in Article 110, first paragraph, of the Insolvency Law, is envisaged as a just cause for removing the receiver; and

(ii) Making certain changes to Italian Civil Procedure Code, including:

- the inadmissibility of opposing the forced sale once the sale or allocation of the attached asset has been decreed;
- the provisional enforcement of the court order if the statement of opposition is not based on documentary proof;
- simplification of procedures for releasing the attached property;
- the possibility of the attached asset being allocated to a third party yet to be nominated;
- the obligation to proceed with sales on the basis of electronic modalities, and the right for the judge to order, after three auctions without bidders, lowering the basic price by up to a half;
- the possibility, for the judge and the professionals entrusted with selling, to proceed with partial distributions of the sums obtained from forced sales.

Set-off risks

The assignment of receivables under Law 130 is governed by Article 58, paragraphs 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 to the relevant borrowers (including, without limitation, where the relevant borrower is an employee of the Seller or the relevant Originator). 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.

Furthemore, Law Decree No. 145 of 23 December 2013 (*Decreto Destinazione Italia*) as converted with amendments into Law No. 9 of 21 February 2014 (the "**Destinazione Italia Decree**") introduced, *inter alia*, certain amendments to article 4 of Law 130. As a consequence of such amendments, it is now expressely provided by Law 130 that the Debtors cannot exercise rights of set-off against the OBG Guarantor on claims arising *vis-à-*

vis the Seller after the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*).

Usury Law has been subject to different interpretation over the time

Italian Law number 108 of 7 March 1996, as amended, (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 29 March 2021). 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.

On 29 December 2000, the Italian Government issued law decree No. 394 (the "**Decree 394**"), converted into law by the Italian Parliament on 28 February 2001, which clarified the uncertainty about the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. The Decree 394, as interpreted by the Italian Constitutional Court by decision No. 29 of 14 February 2002, also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

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

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

On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Usury Rates and has acknowledged the discrepancy between the use of methods which add default interest rates in the remuneration of a financing for usury verification purposes, and the applicable Usury Rates against which such remuneration should be compared.

More recently, the Italian Supreme Court (*Corte di Cassazione*), Joint Chambers (*Sezioni Unite*) (decision No. 19597 dated 18 September 2020), confirmed that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be taken into account. In this respect, should the sole default interest be higher than the applicable Usury Rate, that 'type' of rate only shall be deemed as null and void. As a consequence, the entire amount referable to that rate shall be deemed as unenforceable according to the interpretation given in the abovementioned decision of the Supreme Court.

If the Usury Law were to be applied to the Mortgage Receivables, the amount payable by the Issuer to the OBG Holders may be subject to reduction, renegotiation or repayment. The occurrence of such event shall reduce the amount of collections and recoveries of the Issuer with a negative impact of its ability to pay interest and repay principal under the OBG. In any case, the Guarantor is entitled to be indemnified by the Issuer pursuant to the Warranty and Indemnity Agreement for any loss suffered in connection with a breach of the Usury Law in relation to the loans.

Rules on compounding of interest (anatocismo) have been subject to different interpretation over the time

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 judgments from Italian courts (including judgments from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99, No. 2593/2003, No. 21095/2004, No. 4094/2005, No. 10127/2005, No. 24418/2010, No. 24156/2017 and No. 15148/2018) have held that such practices are not a *uso normativo* and that the contractual clauses providing for the capitalisation of accrued interest on a three-monthly basis, if agreed before April 2000, shall be considered null and void. Consequently, if customers of the 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 *Comitato Interministeriale per il Credito e il Risparmio* ("**CICR**") issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

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

Given the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus and may have a potential negative impact on the Portfolio. Indeed, if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Receivable may be prejudiced. The occurrence of such event shall reduce the amount of collections and recoveries of the Guarantor with a negative impact of its ability to fulfil its obligations under the OBG Guarantee.

Mortgage Credit Directive

In Italy, the Government has approved the Legislative Decree No. 72 of 21 April 2016 (the "**Mortgage Legislative Decree**"), implementing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (the "**Mortgage Credit Directive**") setting out a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property . The Mortgage Legislative Decree introduced, *inter alia*, Article 120 *quinquiesdecies* of the Italian Banking Act.

The Mortgage Legislative Decree applies to: (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property right on a real estate asset.

The Mortgage Legislative Decree sets forth a regulatory framework of protection for consumers, including certain rules of correctness, diligence, information undertakings and transparency applicable to lenders and intermediaries which offer and disburse loans to consumers.

Furthermore, under the Mortgage Legislative Decree, the parties to a loan agreement may agree, at the time the relevant loan agreement is entered into, that should the borrower fail to repay an amount at least equal to eighteen loan instalments, the transfer of the title to the lender either over the mortgaged real estate asset or the proceeds deriving from the sale of such real estate asset extinguishes in full the repayment obligation of the borrower under the relevant loan agreement even if the value of the relevant real estate asset or the amount of proceeds deriving from the sale of such real estate asset is lower than the remaining amount due by the borrower under the loan agreement.

On the other hand, if the value of the real estate asset or the proceeds deriving from the sale of the real estate asset are higher than the remaining amount due by the borrower under the loan agreement, the excess amount shall be paid or returned to the borrower.

On 29 September 2016, the Ministry of Economy and Finance - Chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*) issued decree no. 380 (the "**Decree 380"**) which implemented Chapter 1-bis of Title VI of the Banking Law, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016 the Bank of Italy has published an amended version of its regulations on transparency of banking and financial operations (*Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*).

On January 2018 the Ministry of Economy and Finance has submitted to public consultation the draft of the interministerial decree implementing the Mortgage Legislative Decree. The final version of the interministerial decree has not yet been published. Therefore, as at the date of this Prospectus, the Issuer is not in a position to fully predict its impact.

Risks related to mortgage borrower protection

Certain legislation enacted in Italy, has given new rights and certain benefits to mortgage debtors and/or reinforced existing rights, including, *inter alia*:

- the right of prepayment of the principal amount of the mortgage loan, without incurring a penalty or, in respect of mortgage loan agreements entered into before 2 February 2007, at a reduced penalty rate (article 120-*ter* of the Italian Banking Act, introduced by Legislative Decree no. 141 of 13 August 2010 as amended by Legislative Decree no. 218 of 14 December 2010);

- right to the substitution (*portabilità*) of a mortgage loan with another mortgage loan and/or the right to request subrogation by an assignee bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Civil Code, by eliminating the limits and costs previously borne by the borrowers for the exercise of such right (article 120-*quater* of the Italian Banking Act, introduced by Legislative Decree No. 141 of 13 August 2010 as amended by Legislative Decree No. 218 of 14 December 2010);

- the right of first home-owners to suspend instalment payments under mortgage loans up to a maximum of two times and for a maximum aggregate period of 18 months (Law No. 244 of 24 December 2007, as subsequently implemented by the ministerial decree

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

- the right to suspend the payment of principal instalments relating to mortgage loans for a 12-month period, where requested by the relevant debtor during the period from 1 June 2015 to 31 December 2017 (Convention between the *Associazione Bancaria Italiana - ABI* and the consumers' associations stipulated on 31 March 2015) (the "**2015 Credit Agreement**"). On 27 November 2017, ABI and the consumers' associations, in order to provide continuity to the abovementioned measures, have agreed to extend the agreement until 31 July 2018. On 15 November 2018 the *Associazione Bancaria Italiana - ABI* and the associations representing companies signed a new credit agreement (*Accordo per il Credito 2019*) providing for the introduction of some adjustments to the measures addressed to "Enterprises in Recovery", relating to the suspension and extension of loans to small and medium-sized enterprises, provided for in the 2015 Credit Agreement (the "**2019 Italian Credit Agreement**"). Additional measures connected with the Covid-19 outbreak were introduced on 6 March 2020 through an addendum to the 2019 Italian Credit Agreement in order to extend the provisions contained therein to facilities outstanding as of 31 January 2020 granted in favour of otherwise sound companies negatively impacted by a temporary interruption/reduction of activity as a consequence of Covid-19;

- the right to renegotiate, subject to certain conditions and up to 31 December 2012, the floating rate or the final maturity of the Residential Mortgage Loans executed prior to (and excluding) 14 May 2011 for the purpose of purchasing, building or for the maintenance of the debtors' principal residence (Law Decree No. 70 of 13 May 2011, as converted into Law No. 106 of 12 July 2011);

- automatic suspension of instalment payments of mortgages and loans, up to 31 December 2016, to residents, both individuals and businesses, in 62 municipalities affected by the heartquake and listed in the relevant decree (Law Decree No. 189 of 17 October 2016);

- extension of suspension of instalment payments in accordance with Law Decree No. 189 of 17 October 2016 to further municipalities, up to 31 December 2016 (Council of Ministers Order of 15 November 2016, published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) no. 283 of 3 December 2016);

- automatic suspension of instalment payments of mortgages and loans, up to 31 December 2017, to residents, both individuals and businesses, in certain municipalities affected by the heartquake and listed in the relevant decree (Law Decree No. 244 of 30 December 2016 (the "**Decreto Milleproroghe**"). In relation to individuals the Decreto Milleproroghe provides first home-owners with the right to suspend instalment payments under mortgage loans up to 30 December 2017 in case of damages which do not permit access thereto. In relation to businesses, the Decreto Milleproroghe provides with the automatic suspension of instalment payments under mortgage loans up to 30 December 2017 only to certain municipalities listed therein.

In addition to the above, following the Covid-19 outbreak in Italy, further measures have been adopted in 2020 by the Italian Government and by the *Associazione Bancaria Italiana - ABI*, aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium entreprises, including suspension of instalments payment. The consequence of the above is that a material part of the Portfolio could be subject to suspension of payments, as consequence of which the Issuer may envisage certain negative impacts, which may not be predicted as at the date of this Prospectus, including negative cash shortfalls which could affect the ability of the issuer to pay timely interest on the OBG and/or increase in the activities necessary for the servicing of the Portfolio.

Renegotiations of floating rate Mortgage Loans

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

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

The Convention applies to floating rate mortgage loan agreements entered into or taken over (*accollati*), also further to the parcelling (*frazionamento*) of the relevant mortgages, before 29 May 2008. Pursuant to the Convention, the instalments payable by a borrower under any of such mortgage loan agreements will be recalculated applying (a) a fixed interest rate (equal to the average of the floating rate interest rates applied under the relevant mortgage loan agreement during 2006) on the initial principal amount and for the original final maturity date of the relevant mortgage loan, or (b) if the mortgage loan has been entered into, renegotiated or taken over (*accollato*) after 31 December 2006, the parameters used for the calculation of the first instalment due after the date on which the mortgage loan has been entered into, renegotiated or taken over (*accollato*). The difference between the amount to be paid by the borrower as a result of such recalculation and the amount that the borrower would have paid on the basis of the original instalment plan will be (a) if negative, debited to a bank account on which interest will accrue in favour of the lender at the lower of (i) the rate equal to 10 (ten) IRS (interest rate swap) plus a spread of 0.50, and (ii) the rate applicable pursuant to the relevant mortgage loan, each of them calculated, in a fixed amount, on the renegotiation date, or (b) if positive, credited to such bank account. After the original final maturity date of the mortgage loan, the outstanding debt on the bank account will be repaid by the borrower through constant instalments equal to the ones resulting from the renegotiation, and the amortisation plan will be determined on the basis of the lower of (a) the rate applicable on the bank account, and (ii) the rate applicable pursuant to the relevant mortgage loan, as calculated, in a fixed amount, on the original final maturity date of the mortgage loan.

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

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

The pieces of legislation referred to in each paragraph under the section headed "*Mortgage borrower protection*" above may have an adverse effect on the 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 OBG. 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.

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

1. 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.

2. 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 have different terms to an existing Series (in which case they will constitute a new Series). 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.

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.

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.

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

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

In such a case, prospective investors should have regard to the information set out at "*Reasons for the offer, estimated net proceeds and total expenses*" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the OBG together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer, the Sole Arranger or the Dealer that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the EU Taxonomy Regulation) and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change mitigation and adaptation (the "**Sustainable Finance Taxonomy Regulation Delegated Acts**") adopted by the EU Commission on 21 April 2021) or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Regulation has been recently enacted and the Sustainable Finance Taxonomy Regulation Delegated Acts was published in agreed

form between EU member states on 21 April 2021. The EU Taxonomy Regulation is subject to further development by way of the implementation by the European Commission through the formal adoption of the Taxonomy Regulation Delegated Acts which is expected to take place by the second quarter of 2021. Accordingly, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the OBG are to be applied will meet any or all investor expectations regarding such "green" or "social" or "sustainable" (or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the Taxonomy Regulation Delegated Acts) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA's Green Bond Principles and/or the ICMA's Social Bonds Principles and/or ICMA's Sustainable Bonds Guidelines and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green OBG, Social OBG or Sustainability OBG issued prior to their implementation.

Furthermore, it should be noted that in connection with the issue of Green OBG, Social OBG and Sustainability OBG, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the OBG as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, a "**Second-party Opinion**"). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the OBG or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green OBG, Social OBG or Sustainability OBG. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green OBG or Social OBG or Sustainability OBG and would only be current as of the date it is released. In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion, which may or may not be made available in connection with the issue of any Green OBG, Social OBG or Sustainability OBG and in particular with any eligible projects to fulfil any environmental, social, sustainability and/or other criteria. Any such Second-party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

A withdrawal of the Second-party Opinion may affect the value of such Green OBG, Social OBG or Sustainability OBG and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets.

The withdrawal of any report, assessment, opinion or certification as described above, or any such Second-party Opinion attesting that the Issuer is not complying in whole or

in part with any matters for which such Second-party Opinion is reporting, assessing, opining or certifying on, and/or any such Green OBG, Social OBG or Sustainability OBG no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Green OBG, Social OBG or Sustainability OBG and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In the event that any Green OBG, Social OBG or Sustainability OBG are listed or admitted to trading on any dedicated "green", "environmental", "social" or "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Sole Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

While it is the intention of the Issuers to apply an amount equivalent to the proceeds of Green OBG, Social OBG or Sustainability OBG in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects, as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green OBG, Social OBG or Sustainability OBG will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, social or sustainable projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer (including to comply with their reporting obligations or to obtain any assessment, opinion or certification, including the Second-party Opinion in relation to Green OBG, Social OBG or Sustainability OBG) will not (i) give rise to any claim of a OBG Holder against the Issuer; (ii) constitute an Issuer Event of Default under the relevant OBG; (iii) lead to an obligation of the Issuer to redeem such OBG or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any OBG. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green OBG, Social OBG or Sustainability OBG shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the OBG are to be applied.

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

3. 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 or Tranche;

(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 and/or completes the generally applicable Conditions of the OBG 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, upon service of a Notice to Pay, 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.

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

Interest rates and indices which are deemed to be "benchmarks" (including, without limitation, LIBOR and EURIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any OBG linked to or referencing such a "benchmark". BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, include the United Kingdom). It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed).

The BMR could have a material impact on any OBG linked to or referencing a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any OBG linked to or referencing a "benchmark".

As an example of such benchmark reforms, the FCA has indiceted through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, IBA, the administrator of LIBOR, published a

statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology. Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the "**FCA announcement**"). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30th June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted. Other interbank offered rates such as EURIBOR (together with LIBOR, "**IBORs**") suffer from similar weaknesses to LIBOR and as a result (although no deadline has been set for their discontinuation), they may be discontinued or be subject to changes in their administration.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level reccomendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicated amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to euro area financial systems.

Furthermore, in order to address systemic risk, on 2 February 2021 the Council of the European Union approved the final text of the Regulation (EU) 2021/168 amending the Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Regulation 2016/2011, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the

Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

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

The Terms and Conditions provide also for certain additional arrangements in the event that a published Original Reference Rate (including any page on which such Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Reference Rate determined by the Issuer or an Alternative Reference Rate determined by an Independent Adviser or failing that, by the Issuer, and that such Successor Reference Rate or Alternative Reference Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Reference Rate or an Alternative Reference Rate or an Adjustment Spread may result in the relevant OBG performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the rate of interest. In certain circumstances, the ultimate fallback of interest for a particular OBG Interest Period may result in the rate of interest for the last preceding OBG Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate OBG based on the rate which was last used for the relevant OBG or last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the Terms and Conditions of the OBG or to any other Transaction Document are necessary to ensure the proper operation of any Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of the Representative of the OBG Holders, as provided by Condition 6(k) (*Reference Rate Replacement*) of the Terms and Conditions of the OBG.

4. 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.

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

According to Moody's, the ratings assigned to the OBG may address:

(i) the likelihood of full and timely payment to OBG Holders of all payments of interest on each Guarantor Payment Date; and

(ii) the likelihood of ultimate payment of principal in relation to OBG on (a) the Maturity Date thereof or (b) if the OBG are subject to an Extended Maturity Date in respect of the OBG in accordance with the applicable Final Terms, the Extended Maturity Date thereof.

The ratings that may be assigned by Moody's incorporate both an indication of the probability of default and of the recovery given a default of the relevant OBG.

The expected ratings of the OBG are set out in the relevant Final Terms for each Series of OBG. Whether or not a rating in relation to any OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

The Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the OBG has declined or is in question. If any rating assigned to the OBG is lowered or withdrawn, the market value of the OBG may reduce.

Furthermore, in accordance with the current rating criteria of the Rating Agency, the rating of the OBG may be linked, under certain circumstances, to the then current rating of the Issuer.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. A credit rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the OBG.

In general, European regulated investors are restricted 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 EU CRA Regulation (and such registration has not been withdrawn or suspended) or (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. n general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (i) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The ESMA is obliged to maintain on its website, https://www.esma.europa.eu/page/List-registered-and-certified-CRAs, a list of credit rating agencies registered and certified in

accordance with the CRA Regulation. Certain information with respect to the credit rating agencies and ratings 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.

Automatic Exchange of Information

EU member states are required to implement an automatic exchange of information as provided for by Council Directive 2014/107/EU amending Directive 2011/16/EU, as amended from time to time, as regards mandatory automatic exchange of information in the field of taxation (the "**DAC**"). In this context, in order to eliminate an overlap with the DAC, Council Directive 2003/48/EC (the "**EU Savings Directive**") was repealed on 10 November 2015 by the Council of the European Union. The range of payments to be automatically reported under the DAC is broader than the scope of the automatic information previously foreseen by the EU Savings Directive.

Investors should consult their professional tax advisers.

Change of law

The structure of the Programme and, *inter alia,* the issue of the OBG and the ratings assigned to the OBG are based on Italian law, tax and administrative practice in effect at the date of this Prospectus, 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.

FATCA Withholding

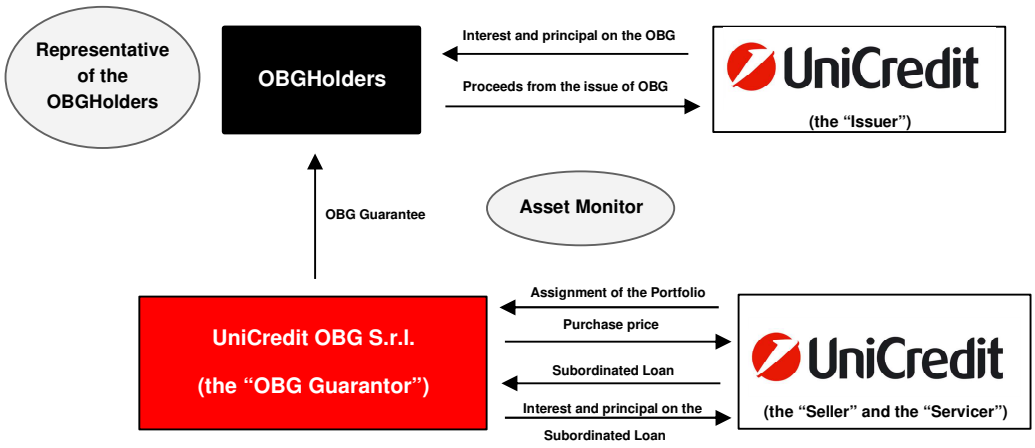
Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these

purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the OBG, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the OBG, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the OBG, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the OBG as a result of FATCA, none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBGs be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

EACH HOLDER OF THE OBG SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

STRUCTURE DIAGRAM



DOCUMENTS INCORPORATED BY REFERENCE

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

(1) Issuer's unaudited consolidated Interim Report as at 31 March 2021 – Press Release (the "**March 2021 Financial Statements**"), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2020/UniCredit_PR_1Q21_ENG.pdf;

(2) 2020 Annual Report and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and the notes thereto) as of and for the year ended 31 December 2020 (the "**December 2020 Financial Statements**"), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/4Q20/2020-Annual-Report-and-Accounts.pdf;

(3) 2019 Annual Report and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and the notes thereto) as of and for the year ended 31 December 2019 (the "**December 2019 Financial Statements**") available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2019/4Q19/2019-Annual-Report-and-Accounts.pdf;

(4) the the base prospectus dated 9 June 2020 relating to the UniCredit S.p.A. "€ 35,000,000,000 Obbligazioni Bancarie Garantite Programme" (the "**2020 OBG 2 Programme Prospectus**"), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-bond/obg2/issuance-prospectus-and-supplements/2020/Prospectus-OBG-2_Rinnovo-2020_Final_PDF_Fixed.pdf;

(5) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2020 (the "**Guarantor 2020 Financial Statements**"), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-bond/obg2/unicredit-OBG-srl-balance-sheets/UniOBG_bilancio-31.12.20_ENG.pdf; and

(6) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2019 (the "**Guarantor 2019 Financial Statements"**), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-

bond/obg2/unicredit-OBG-srl-balance-sheets/UniOBG_bilancio-31.12.19-_DEF_ENG.pdf.

Such documents have been previously published or are published simultaneously with this Prospectus and have been filed with the CSSF. Such documents shall be incorporated by reference 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 (*https://www.unicreditgroup.eu*) and the Luxembourg Stock Exchange (*https://www.bourse.lu/cssf-approvals*). 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 March 2021 Financial Statements; (ii) the December 2020 Financial Statements; (iii) the December 2019 Financial Statements; (iv) the 2020 OBG 2 Programme Prospectus; (v) the Guarantor 2020 Financial Statements; and (vi) the Guarantor 2019 Financial Statements.

March 2021 Financial Statements

Document	**Information incorporated**	**Page**
Issuer's unaudited Consolidated Interim Report as at 31 March 2021 – Press Release		
	UniCredit Group: Reclassified Income Statement	p. 21
	UniCredit Group: Reclassified Balance Sheet	p. 22
	Other UniCredit Group Tables (Shareholders Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Portfolio, Sovereign Loans – Breakdown by Country)	p. 23-27
	Basis of Preparation	p. 27-31
	Declaration	p. 32

December 2020 Financial Statements

Documents	Information incorporated	Page
2020 Annual Report and Accounts	*Consolidated Report and Accounts of UniCredit Group*	
	Consolidated Report on Operations	p. 43-85
	Consolidated Balance Sheet	p. 105
	Consolidated Income Statement	p. 106
	Consolidated Statement of Other Comprehensive Income	p. 107
	Statement of Changes in the Consolidated Shareholders' Equity	p. 108-109
	Consolidated Cash Flows Statement	p. 110-111
	Notes to the Consolidated Accounts	p. 113-419
	Certification	p. 421
	Report of the External Auditors	p. 423-434
	Annexes	p. 437-499
	Report and Accounts of UniCredit S.p.A.	
	Report on Operations	p. 509-531
	Balance Sheet	p. 535
	Income Statement	p. 536
	Statement of Other Comprehensive Income	p. 537
	Statement of Changes in Shareholders' Equity	p. 538-539
	Cash Flow Statement	p. 540-541
	Notes to the Accounts	p. 543-701
	Certification	p. 703
	Report of External Auditors	p. 733-741

	Annexes	p. 745-753

December 2019 Financial Statements

Documents	**Information incorporated**	**Page**
2019 Annual Report and Accounts	*Consolidated Report and Accounts of UniCredit Group*	
	Consolidated Report on Operations	p. 29-71
	Consolidated Balance Sheet	p. 91
	Consolidated Income Statement	p. 92
	Consolidated Statement of Other Comprehensive Income	p. 93
	Statement of Changes in the Consolidated Shareholder's Equity	p. 94-95
	Consolidated Cash Flows Statement	p. 96-97
	Notes to the Consolidated Accounts	p. 99-400
	Certification	p. 403
	Report of External Auditors	p. 405-415
	Annexes	p. 417-475
	Report and Accounts of UniCredit S.p.A.	
	Report on Operations	p. 485-507
	Balance Sheet	p. 511
	Income Statement	p. 512
	Statement of Other Comprehensive Income	p. 513
	Statement of Changes in Shareholders' Equity	p. 514-515
	Cash Flow Statement	p. 516-517
	Notes to the Accounts	p. 519-685
	Certification	p. 687
	Report of External Auditors	p. 715-725
	Annexes	p. 729-

2020 OBG 2 Programme Prospectus

Documents	Information incorporated	Page
Base prospectus dated 9 June 2020 relating to the UniCredit S.p.A. "€ 35,000,000,000 Obbligazioni Bancarie Garantite Programme"		
	Terms and Conditions of the OBG	p. 250-288
	Rules of the Organisation of the OBG Holders	p. 289-309

Guarantor 2020 Financial Statements

Documents	Information incorporated	Page
Audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) for the financial year ended 31 December 2020		
	Statement of Financial Position	p. 13
	Income Statement	p. 14
	Statement of Comprehensive Income	p. 15
	Statement of Changes in Equity	p. 16
	Statement of Cash Flows	pp. 17-18
	Notes to the Financial Statements	pp. 19-58
	Auditor's Report	pp. 59-61

Guarantor 2019 Financial Statements

Documents	Information incorporated	Page
Audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) for the financial year ended 31 December 2019		

Statement of Financial Position	p. 12
Income Statement	p. 13
Statement of Comprehensive Income	p. 14
Statement of Changes in Equity	p. 15
Statement of Cash Flows	p. 16-17
Explanatory Notes to the Financial Statements	p. 18-57
Auditor's Report	p. 58-60

Any parts of a document not included in the cross-reference lists above are not incorporated by reference into this Prospectus and shall not form part of this Prospectus as these parts are either not relevant for investors or covered elsewhere in this Prospectus.

Any documents which are incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus and is either not relevant for the investor or it is covered elsewhere in this Prospectus.

The consolidated financial statements of the Issuer as at and for the year ended on 31 December 2019 and on 31 December 2020 have been audited by Deloitte & Touche S.p.A., in its capacity as independent auditor of the Issuer for the relevant financial year, as indicated in its 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 annual financial statements as of and for the years ended, respectively, on 31 December 2019 and 31 December 2020 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) and have been audited by Deloitte & Touche S.p.A., in its capacity as independent auditors of the OBG Guarantor, as indicated in its reports thereon.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this 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 23 of the Prospectus Regulation.

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.

DESCRIPTION OF THE ISSUER

INFORMATION ABOUT THE ISSUER

History and development of the Issuer

UniCredit (formerly UniCredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent company are the result of the October 1998 business combination between the Credito Italiano national commercial banking group (established in 1870 with the name *Banca di Genova*) and UniCredito S.p.A. (at the time the holding company owning a controlling interest in Banca CRT (*Banca Cassa di Risparmio di Torino S.p.A.*), CRV (*Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A.*) and Cassamarca (*Cassa di Risparmio della Marca Trivigiana S.p.A.*).

Since its formation, the Group has grown in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role in relevant sectors outside Europe and strengthening its international network.

Such expansion has been characterised, in particular:

- by the business combination with HypoVereinsbank, realised through a public tender offer launched in summer 2005 by UniCredit to acquire the control over Bayerische Hypo- and Vereinsbank AG ("**HVB**") - subsequently renamed UniCredit Bank AG - and its subsidiaries, such as Bank Austria Creditanstalt AG, subsequently renamed "UniCredit Bank Austria AG" ("**BA**" or "**Bank Austria**"). At the conclusion of the offer perfected during 2005, UniCredit acquired a shareholding for an amount equal to 93.93 per cent. of the registered share capital and voting rights of HVB. On 15 September 2008, the squeeze-out of HVB's minority shareholders, resolved upon by the bank's shareholders' meeting in June 2007, was registered with the Commercial Register of Munich. Therefore, the HVB shares held by the minority shareholders - equal to 4.55 per cent. of the share capital of the company - were transferred to UniCredit by operation of law and HVB became a UniCredit wholly-owned subsidiary. In summer 2005 UniCredit also conducted an exchange offer for the acquisition of all shares of BA not held by HVB at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of BA. In January 2007, UniCredit, which at the time held 96.35 per cent. of the aggregate share capital of BA, including a stake equal to 77.53 per cent. transferred to UniCredit by HVB, resolved to commence the procedures to effect the squeeze-out of the minority shareholders of BA. As at the date of this Prospectus, UniCredit's interest in BA is equal to 99.996 per cent.; and
- by the business combination with Capitalia S.p.A. ("**Capitalia**"), the holding company of the Capitalia banking group (the "**Capitalia Group**"), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs [13] of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and HVB shareholders are still pending. For more details please see section headed "*Legal and Arbitration Proceedings*" of this Prospectus.

UniCredit S.p.A. ordinary shares are listed on the Milan Stock Exchange organised and managed by Borsa Italiana S.p.A., on the Frankfurt Stock Exchange, segment General Standard, and on the Warsaw Stock Exchange. In this regard, it should be noted that, further to the disposal of the controlling equity interest in Bank Pekao in 2017, UniCredit has initiated the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (so called "delisting"). According to the local Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting held on 11 April 2019 authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 months from the date of the Shareholders' resolution. On 11 October 2020 such authorisation lapsed. UniCredit confirmed its intention to delist from the Warsaw Stock Exchange; timing of the procedure will be defined also based on the macro-economic and market conditions. A new authorisation to the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares, to be carried out within 18 months from the date of the Shareholders' resolution, has been resolved by the 15 April 2021 Shareholders' Meeting.

****

Recent Developments

- On 14 May 2021, UniCredit has announced to have received from the Single Resolution Board and Banca d'Italia the updated decision on the Minimum Requirement for Own Funds and Eligible Liabilities (MREL): this supersedes the previous one communicated in December 2019, which set the MREL equal to 10.67 percent of Total Liabilities and Own Funds (TLOF) and applicable from 30 June 2022. From 1 January 2022, UniCredit S.p.A. shall comply, on a consolidated basis, with an intermediate MREL equal to the maximum between 20.73 percent of Risk Weighted Assets (RWA) - plus the Combined Buffer Requirement (CBR) applicable at that point in time - and a 5.90 percent of leverage ratio exposures (LRE). From 1 January 2024, the consolidated MREL will become "fully loaded" and will be set equal to the maximum between 21.40 percent RWA - plus the applicable CBR - and 5.90 percent LRE. Starting from 1 January 2022, UniCredit S.p.A. will also have to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to the maximum between 11.79 percent RWA - plus the applicable CBR - and 5.68 percent LRE. Both these amounts already take into account the "senior allowance", i.e. the possibility to meet part of the subordinated requirement with senior (non-subordinated) instruments. All these requirements shall be met with consolidated Own Funds plus Eligible Liabilities issued by UniCredit S.p.A. only.

[13] The squeeze out is the process whereby a pool of shareholders owning at a certain amount of a listed company's shares (in Germany 95 per cent., and in Austria 90 per cent.) exercises its right to "squeeze out" the remaining minority of shareholders from the company paying them an adequate compensation.

- On 12 May 2021, UniCredit has announced a new organisational structure and a new management team to drive the business effectively and deliver its new strategic plan during H2 2021. This new structure creates a simplified organisation that will enable greater accountability across all businesses and areas. It ensures UniCredit clients remain at the heart of everything that UniCredit does, further integrates technology and digitalisation as a key driver of our future success and provides clarity on key roles and responsibilities.

  In summary, UniCredit has announced that it:

  - creates a new Group Executive Committee (**GEC**) of fifteen people to replace the former Executive Management Committee of twenty-seven, increasing ownership and accountability;
  - removes a layer of management, minimising co-Heads of businesses and functions and creates a more cohesive partnership;
  - empowers country CEOs to better manage their geographies in delivering best practice and synergies across all business lines. Italy, Germany, Central Europe and Eastern Europe will now form the key geographic reporting lines for the Group;
  - positions Italy as a standalone geography, reflecting the critical importance of this country to our Group, honouring the roots, essence and spirit that underscore the origins of UniCredit;
  - puts in place a transversal matrix, positioning Corporate and Investment Banking across all geographies to offer our clients a seamless suite of products and services that serve different local demands;
  - creates a new Digital division that will elevate technology, digitalisation and data to the new GEC, ensuring it will be embedded in every strategic deliverable underscoring the critical importance of this area to the future of the business;
  - launches a widespread simplification exercise across the organisation, starting with UniCredit S.p.A., reducing existing committees from 44 to a maximum of 15-20;
  - creates a new People & Culture division to expand the remit of the former Human Capital function, reflecting the importance of UniCredit people as carriers of UniCredit culture and ensuring that the Group can attract, hire and retain best-in-class talent for the long-term benefit of UniCredit and its clients;
  - creates a CEO office to include Strategy & Optimisation, and the newly created function of Stakeholder Engagement. Both functions will be part of the GEC.

- On 11 May 2021, UniCredit has announced, in execution of the authorisation granted by the Shareholders' Meeting of the Company held on 15 April 2021, that it has defined and approved the measures for the execution of the SBB programme for a maximum amount of Euro 178,688,534.90 and for a number of UniCredit ordinary shares not exceeding 30,000,000 (the **First Buy-Back Programme 2021**). As already disclosed to the market on 15 April 2021, the First Buy-Back Programme 2021 has been already authorised by the ECB on 12 April 2021.

The First Buy-Back Programme 2021 is aimed at the FY20 ordinary shareholders remuneration, in accordance with the policy approved by the Board of Directors on 10 February 2021 and coherently with the ECB recommendation issued in December 2020 (the **ECB Recommendation**). In February 2021, the Board of Directors, applying the measures provided in the ECB Recommendation, resolved to allocate to shareholders' remuneration 15 per cent. of the consolidated net profits accumulated in FY19 and FY20, adjusted to include the prescriptions of the ECB Recommendation.

In the context of this programme, the Issuer has started the buy-back activities which will be periodically disclosed to the public through specific press releases available on its website.

The legal and commercial name of the Issuer

The legal and commercial name of the Issuer is "UniCredit, società per azioni", in short "UniCredit S.p.A.".

The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')

UniCredit is registered with the Company Register of Milano-Monza-Brianza-Lodi under registration number 00348170101. UniCredit is also registered with the National Register of Banks; it is the parent company of the UniCredit Group registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the "**Italian Banking Act**") under number 02008.1; and it is a member of the National Interbank Deposit Fund (*Fondo Interbancario di Tutela dei Depositi*) and of the National Compensation Fund (*Fondo Nazionale di Garanzia*).

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

The date of incorporation and the length of life of the Issuer, except where the period is indefinite

UniCredit is a joint-stock company established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100.

The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer

UniCredit S.p.A. is a joint stock company established in Italy and operating under Italian law. The Registered and Head Offices of the Issuer are located in Milan at Piazza Gae Aulenti, 3 Tower A. UniCredit's telephone number is +39 02 88621, and UniCredit's website is www.unicreditgroup.eu. The information on the website of UniCredit does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

UniCredit, in carrying out its banking activities, is subject to the supervisory power of the European Central Bank and to the Italian and European legislation and regulation, as well as

to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws.

BRRD and SRMR

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014, implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 ("**BRRD**").

The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (Single Resolution Mechanism Regulation, "**SRM Regulation**") which sets out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (SRM) and the Single Resolution Fund. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the general bail-in tool). Such shares or other instruments of ownership could also be subject to any future application of the BRRD.

In addition, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly

issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

Such instruments and powers, as noted above, include the possibility of applying the "bail-in", *i.e.* the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

Notwithstanding the above, it should be noted that pursuant to Article 44 (2) of the BRRD, as implemented in Italy by article 49 of Legislative Decree. 180 and 181 of 16 November 2015, it is important to note that resolution authorities may not exercise the write down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, *i.e.* for the portion exceeding €100,000.00 per depositor.

Furthermore, if the conditions are met, the Authorities may request the use of the Single Resolution Fund referred to in the SRMR, financed by contributions paid by banks.

In the framework of the SRMR and BRRD, as of January 2016, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (SRB), whose powers are attributed to the latter. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB. In such a context, it is worth to mention the process to review - just started by the European Commission – the Crisis Management and Deposit Insurance framework. Following this revision, new and different legal and regulatory requirements may apply to the Group, in particular the activity of the European legislator is aimed at amending the BRRD, the SRMR and the Deposit Guarantee Schemes Directive.

The BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the "**Minimum Requirement for Own Funds and Eligible Liabilities**", "**MREL**"). The Issuer has to meet MREL requirements currently received by the Single Resolution Committee and the Bank of Italy on a consolidated basis, which must be achieved by 1 January 2022 (as transitional requirement) and complied with at all times from that date, as well as the standard on total loss absorbing capacity (TLAC). Directive (EU) 2019/879 ("**BRRD II**"), amending the BRRD, introduces significant

changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefines the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

CRR and CRD

The Issuer shall comply with the revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity. The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and the Regulation 2013/575/EU (the "**CRR**", together with the CRD IV Directive, the "**CRD IV Package**") subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the "**Banking Reform Package**" with CRRII and CRDV). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. According to Articles from 129 to 134 of CRD IV, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: *Capital conservation buffer, institution-specific countercyclical capital buffer, Capital buffers for globally systemically important institutions* ("**G-SIIs**") *and Capital buffers for other systemically important institutions* ("**O-SIIs**"), Systemic risk buffer.

In October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**") for all banks in the euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone States, direct supervisory responsibility over "significant banks" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group.

On 7 June 2019, the legal acts "Risk Reduction Measures Package" regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRMR, (i) the Regulation (EU) 2019/876 of the European Parliament and of the Council ("**CRR II**") amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the Directive (EU) 2019/878 of the European Parliament and of the Council ("**CRD V**") amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II will be applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V shall be implemented into national law by 28 December 2020,

excluding some provisions which will be applicable subsequently. The BRRD II and the CRD V are subject to transposition in Italy by means of the European Delegation Law (Law No. 53/2021) of 22 April 2021.

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (BCBS) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5% of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January 2020), is assessing the potential impacts on the European economy.

In August, the Commission required the EBA to update its assessment in the light of COVID-19, which was published in December 2020. It is therefore expected that the future legislative proposal (CRRIII), which should incorporate these new standards into EU legislation, will be published in 3Q2021. Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the European Banking Authority (EBA), published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements ("**MCR**") by 23.6%, resulting in a capital deficit of €124 billion.

The above-mentioned updated analysis by EBA published in December 2020, shows an increase of MCR of 18.5 per cent. and a capital deficit of over € 52 billion (the December 2019 outcome for a comparable sample would have been respectively 24.1 per cent. and € 109.5 billion).

Regulatory and supervisory framework on non-performing exposures

Among the measures adopted at European level in order to reduce non-performing exposures within adequate levels, worth mentioning are the followings:

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank's approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all non-performing exposures (NPEs), as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. According to the guidance,

the banks need to establish a strategy to optimize their management of NPLs based on a self-assessment of the internal capabilities to effectively manage NPLs; the external conditions and operating environment; and the impaired portfolios specifications.

On 15 March 2018, the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to non-performing exposures (NPEs) after 1 April 2018 (the "**ECB Addendum**"). In addition, the ECB's supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), was set out in its 2018 supervisory review and evaluation process ("**SREP**") letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation of that Banking Reform Package which makes further changes to the Pillar I treatment for NPEs (in revisions to the Capital Requirements Regulation known as "**CRRII**").

The initiatives that originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I). The above mentioned guidelines result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

- NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;
- NPEs originated before 26 April 2019 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%;
- NPEs originated on or after 26 April 2019 (Pillar I – CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%.

Action plan to address the problem of non-performing loans in the European banking sector published by the European Council on 11 July 2017: the action plan outlines an approach based on a mix of four policy actions: the bank supervision; the reform of insolvency and debt recovery frameworks; the development of secondary markets for NPLs; promotion of the banking industry restructuring.

Guidelines on management of non-performing and forborne exposures published by EBA on 31 October 2018: the Guidelines aim to ensure that credit institutions have adequate tools and frameworks in place to manage effectively their non-performing exposures (NPEs) and to substantially reduce the presence of NPEs in the balance sheet. Only for credit institutions with a gross NPL ratio above 5%, EBA asked to introduce strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

Guidelines on disclosure of non-performing and forborne exposures published by EBA on 17 December 2018: in force since 31 December 2019, the Guidelines set enhanced disclosure requirements and uniform disclosure formats applicable to credit institutions' public disclosure of information regarding non-performing exposures, forborne exposures and foreclosed assets.

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures where the exposure was originated prior to 26 April 2019, requiring a deduction from own funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation purpose is to encourage a timely and proactive management of the NPEs. The prudential treatment is applicable to: (i) unsecured exposures from the third year after the classification as NPE, (ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE. The Regulation outlines the convergence process to its full application to secured and unsecured exposures classified as NPEs for less than 3/7/9 years.

Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): the proposal is aimed to achieve (a) a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE); (ii) the development of secondary markets for NPLs in the EU's markets standardising the regulatory regime for credit servicers and credit purchasers. The first part of the proposal is expected to be finalized in 2Q2021, the AECE part is put on hold.

Opinion on the regulatory treatment of non-performing exposure securitisations published by EBA on 23 October 2019: the Opinion recommends to adapt the CRR and the Regulation (EU) 2017/2401 (Securitisation Regulation) to the particular characteristics of NPEs by removing certain constraints imposed by the regulatory framework on credit institutions using securitisation technology to dispose of NPE holdings. In preparing its proposal to the Commission, EBA outlines the fact that the securitisations can be used to enhance the overall market capacity to absorb NPEs at a faster pace and larger rate than otherwise possible through bilateral sales only, as a consequence of securitisations' structure in tranches of notes with various risk profiles and returns, which may attract a more diverse investor pool with a different Risk Appetite.

On 24 July 2020, as part of the Capital Markets Recovery Package, the European Commission presented amendments to review, inter alia, some regulatory constraints in order to facilitate the securitisation of non-performing loans (i.e. increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche). After the approval by the European Parliament at the end of March, on 6 April 2021, Regulation (EU) 2021/557 which introduces amendments to the Securitisation Regulation and Regulation (EU) 2021/558 amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis were published on the Official Gazette of the European Union. Both Regulations entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalization of the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level; reviewing EBA templates to be used during the disposal of NPLs); (ii) reform the EU's corporate insolvency and debt recovery legislation; (iii) support the establishment and cooperation of national asset management companies at EU level; (iv) introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's BRRD and State aid frameworks.

Measures to counter the impact of COVID-19

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an *addendum* to the 2019 credit agreement between ABI and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU economy, issued 4 recommendations on the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

(1) Business Continuity Planning: ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.

(2) Market disclosure: issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU) No. 596/2014 (MAR), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.

(3) Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these

have not yet been finalised or otherwise in their interim financial reporting disclosures.

(4) Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The European Central Bank (ECB), at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer-term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer-term refinancing operations (TLTROs); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 25 basis points below the average rate applied in the Eurosystem's main refinancing operations.

The Governing Council also decided to add a temporary envelope of additional net asset purchases of €120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020, this was followed by the announcement of the € 750 billion PEPP, increased with a further € 600 billion on 4 June 2020.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to the COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 ("**Cura Italia Decree**") has been adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE notional return exceeding the total net income, to the extent of 20% of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the COVID-19-related economic shock to the global economy. In particular, the ECB recommends to:

- give banks further flexibility in prudential treatment of loans backed by public support measures;
- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;
- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, EBA published a statement to explain the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

(i) the classification of exposures in default;

(ii) the identification of forborne exposures;

(iii) the accounting treatment of the aforesaid exposures.

Specifically, the Authority repeats the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

On 25 March 2020, ESMA provided clarifications on the accounting implications of the economic support and relief measures adopted by EU Member States in response to COVID-19. In particular, the statement provides guidance to issuers and auditors on the application of IFRS 9 (Financial Instruments) with regard to the calculation of expected losses and related disclosure requirements. This concerns, in particular, the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the COVID-19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.
- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.
- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the European Central Bank published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19. This recommendation was extended to January 2021 on 27 July 2020.

On 15 December 2020, the ECB recommended that banks exercise extreme prudence on dividends and share buy-backs. To this end, the ECB asked all banks to consider not

distributing any cash dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of the COVID-19 pandemic, the ECB expects dividends and share buy-backs to remain below 15 per cent. of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have robust capital trajectories. They are expected to contact their Joint Supervisory Team to discuss whether the level of intended distribution is prudent. The recommendation is related to the current exceptional circumstances and will remain valid until the end of September 2021; at that time, in the absence of materially adverse developments, the ECB intends to repeal the recommendation and return to assessing banks' capital and distribution plans based on the outcome of the normal supervisory cycle.

On 2 April 2020, EBA issued Guidelines on the treatment of legislative and non-legislative moratoria applied before 30 June 2020: clarified which legislative and non-legislative payment moratoria could trigger forbearance classification; in particular, the guidelines supplemented the EBA Guidelines on the application of the definition of default as regards the treatment of distressed restructuring (they clarified that the payment moratoria, if based on the application of national laws, or on initiatives agreed at industry / private sector level, where widely applied by the relevant credit institutions, do not trigger forbearance classification and it is not necessary to verify the existence of the requirements for tracing between the distressed restructuring). On 18 June 2020, EBA has extended the deadline for the application of its Guidelines on payment moratoria to 30 September 2020, after which they expired. Adjusted Guidelines have been reactivated in December 2020, though restricting the scope of application to a maximum of 9 months from the granting of the moratoriums, a limit which however does not apply to those agreed before 31 September 2020 which continue to benefit from the flexibility granted by the guidelines until their expiry, even if it exceeds 9 months.

On 29 January 2021, the EBA published the "Report on the implementation of selected COVID-19 policies", which contains a series of clarifications in the form of questions and answers (Q&A) on the interpretation of the EBA Guidelines, in particular with regard to the overall duration of the deferred payment to fall within the scope of the EBA Guidelines on moratoriums. However, the clarifications did not concern the hypothesis in which the moratorium pursuant to law, even if granted before 31 September, was extended for more than 9 months due to a subsequent law.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 ("**Liquidity Decree**") was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest ("**SACE**"), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020. The Government is going to

extend such measures until 31 December 2021 (the prorogation will be provided by the Law Decree of the end of April 2021).

On 28 April 2020, the European Commission published a proposal to amend the CRR ("quick fix") in order to reduce certain regulatory requirements and facilitate the provision of bank credit to households and enterprises across the EU with the aim of ensuring that banks can continue to lend money to support the economy and help mitigate the significant economic impact of the COVID-19.

The measures, both temporary and exceptional, have been promoted to mitigate the immediate impact of COVID-19-related developments, and they imply:

- the reintroduction of prudential filters to manage the current situations of strong turbulence in the markets and to neutralize the effects of losses and gains on the value of debt securities held in the portfolio available for sale as if the securities were valued at cost instead of at fair value;
- a temporary approach to market risk in order to allow supervisors to implement appropriate measures to avoid automatic increases in the quantitative addendum (in particular over the period January 2020 and December 2021);
- more favourable treatment of government guarantees granted during the crisis, aligning the calendar provisioning applied to positions with government guarantees with the calendar provisioning applied to credits guaranteed by Export Credit Agencies;
- early application of certain measures provided for in CRR II: i) extension of the SME Supporting Factor; ii) introduction of the Infrastructure Supporting Factor; iii) improved weighting calibration for loans guaranteed by salary/pension share disposals; iv) improved prudential treatment of software;
- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9 phase-in arrangements);
- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks ("G-SIB buffer");
- a change in the way of excluding certain exposures from the calculation of the leverage ratio;
- the introduction of a transitional regime for EU Sovereign exposures in the currency of another EU Member State.

Following the positive vote of the plenary session of the European Parliament (19 June 2020), the "CRR Quick Fix" has been published in the European Official Journal on 26 June and has entered into force the following day (27 June 2020).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the so-called "Decreto Rilancio") was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with €10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020 (two tax credits are granted to other investors <20 per cent. of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase>); and the so called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

In August 2020 the Government approved the Law Decree "August" (Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126) containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 30 September 2020) and, for tourist sector, until 31 March 2021. Such prorogation operates automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non-performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November 2020, the Council of Ministers approved the "Relieves" Law Decree (Law Decree 28 October 2020, No. 137) and the "Relieves 2" Law Decree (Law Decree 9 November 2020, No. 149) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non-refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding Euro 5 million and which have had a 50 per cent. reduction of turnover. In March 2021, the Council of Ministers approved the "Support" Law Decree (Law Decree 22 March 2021, No. 41) which provides further urgent measure regarding health protection, support to workers and production sectors linked to COVID-19 pandemic. Such decree introduces a new non-refundable aid for enterprises and professionals which have had a 30 per cent. reduction of turnover.

Finally, among the measures adopted in response to the COVID-19 emergency, we recall the Capital Markets Recovery Package proposal (so-called "quick fix") published by the European Commission in July, which proposes targeted amendments to the MiFID, the

Prospectus Regulation as well as the Securitisation Regulation. The package aimed to provide European economies with some relief to face the crisis emerging from the COVID-19 pandemic.

As to MiFID II, the proposal includes targeted amendments on: i) investor protection, ii) commodity derivatives and iii) research regime for SMEs.

As to Prospectus Regulation, the amendments introduced in particular a new type of short-form prospectus to facilitate the raising of capital in public markets.

As to Securitisation Regulation, in addition to a review of the regulatory constraints to the securitisation of NPEs, the amendments in particular also extends the preferential treatment to all synthetic on-balance sheet securitisation that fulfil the simple, standardised and transparent (STS) criteria in order to help banks free up capital and promote the financing of the real economy, in particular to SMEs.

The amendments to the Prospectus Regulations – approved by the European Parliament on 26 February – entered into force on 18 March 2021.

The MiFID II amendments, voted on 26 February as well, as being part of a Directive, are to be transposed into national laws by 28 November 2021.

Finally, following the vote by the European Parliament at the end of March 2021, on 6 April 2021, Regulation (EU) 2021/557, which introduces amendments to the Securitisation Regulation, and Regulation (EU) 2021/558, amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis, were published on the Official Gazette of the European Union. Both Regulations entered into force on 9 April 2021.

Green Finance

Finally, it is worth mentioning the developments in the Green Finance regulation. The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making and necessary to ensure that the banks shall comply with the regulations on the disclosure of financial and non-financial information.

Moreover, in relation to the European Commission public consultation on Renewed Strategy on Sustainable Finance (mentioned below) and the potential early introduction in respect of the EBA working plan of a green supporting factor and a brown penalising factor which are, respectively, a discount and an add-on the weighting of capital risk for investments in “green” companies or in company which produce significant greenhouse gas emission, UniCredit (as EBF) asks that the introduction of such factors is preceded by in-depth researches which certify the actual lower / higher risk of these activities, the link between climatic and financial risks and the development of risk scenarios.

It is also requested that such researches shall be carried out over a period of 3-4 years, so that the negative effect of COVID-19 could be neutralized.

The EBA Action plan on the implementation of the ESG risks in the prudential framework aims to amend the European legislation not before 2025. UniCredit considers that the process should not be accelerated.

In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance in line with the objectives of its action plan of March 2018. In such context, the Commission has started preparatory works in order to amend MiFID II. In such regard, ESMA submitted technical advice on sustainable finance to the European Commission.

The Non-Financial Reporting Directive (Directive (EU) 2014/95 – NFRD), came into effect on 1 January 2017. It requires large corporates, banks, and insurance companies with more than 500 employees to publicly report on ESG matters including employment, board diversity, human rights, anti-corruption and bribery. On 20 February 2020, the European Commission launched a public consultation with a view to align the non-financial reporting requirements with the EU legislation in the area of ESG disclosure (e.g. Sustainable Finance Disclosure Regulation and the EU Taxonomy Regulation). On 21 April 2021, the Commission published a proposal for the review of the NFRD. The new Corporate Sustainability Reporting Directive proposes to extend the scope to listed companies (excluding listed micro-undertakings) and large companies; introduces the requirement to report according to common EU sustainability reporting standards envisaging specific standards for listed SMEs and a transition period of three years since the application of the Directive; requires mandatory assurance of the reported information that should be published as part of the company's management report and in machine readable format.

On 9 December 2019, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**" - Sustainable Finance Disclosure Regulation) has been published, which lays down harmonised rules for financial market participants and financial advisers on transparency.

On 9 March 2020, the European Commission Technical Expert Group on Sustainable Finance (TEG) published its final report on the taxonomy, following the public consultation launched after the publication of the June 2019 report. The EU Taxonomy, which is part of the Action 1 of the Action Plan on financing sustainable growth published on 8 March 2018 by the Commission, aims to establish an unique classification system for the economic activities which can be classified as sustainable. The European Commission adopted the first Delegated Act on climate change mitigation and adaptation in April 2021. The Delegated Act will enter into application by 1 January 2022. For the other four environmental objectives - sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems - the second set of technical screening criteria will be adopted later in 2021 and enter into force on 1 January 2023.

Together with EU Taxonomy final report, TEG has released a guide for how to use the EU's Green Bond Standard (EU GBS). The document incorporates several updates related to the political agreement on Taxonomy reached in December 2019 by the Commission, Council and European Parliament, and the Green Deal launched by the Commission. The EU GBS

regulation is included in Commission's initiatives set out in Action 2 of the Action Plan, which envisages to create standards and labels for green financial products. In July 2021, the European Commission is expected to publish the legislative proposal for EU GBS.

On 12 March 2020, Consob has drawn attention to the current investor protection safeguards applicable to intermediaries that provide investment services, when they address clients with an offer characterized as sustainable.

On 8 April 2020, European Commission launched a public consultation to collect opinions in relation to the Commissions renewed strategy on sustainable finance, until now based on the Action Plan on financing sustainable growth published on 8 March 2018. The aim of the Commission is to reach a proposal for the implementation of a new strategy on sustainable finance in June 2021. Additionally, the Article 20 of the EU Taxonomy Regulation creates a "Platform on sustainable Finance", an advisory body composed of experts from the private and public sector that will provide advice to the European Commission on the technical screening criteria for the EU Taxonomy and will monitor and report on capital flows towards sustainable investments.

On 23 April 2020, the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) have published a Consultation Paper seeking input on proposed environmental, social and governance (ESG) disclosure standards set out under the SFDR, aiming to: (i) strengthen protection for end-investors; (ii) improve the disclosures to investors from a broad range of financial market participants and financial advisers; and (iii) improve the disclosures to investors regarding financial products.

The consultation document provided concrete proposals for the content, methodologies and presentation of sustainability disclosures regarding: (i) principal adverse impact disclosure (negative, material or likely to be material effects on sustainability factors that are linked to investment decisions and advice performed by the legal entity); (ii) pre-contractual product disclosures; (iii) website product disclosures and (iv) product periodic disclosures. The three ESAs published the final draft of the Implementation Technical Standards on February 2021 and the European Commission is expected to adopt them in 3 months. As the SFDR applies from 10 March 2021, the ESAs issued a joint declaration on 25 February 2021 offering guidance to financial market participants (e.g. banks, investing firms, insurance companies) for application of the draft ITS in the interim period until the formal adoption by the European Commission.

On 20 January 2021, the European Commission opened a targeted consultation on the establishment of a European single access point ("**ESAP**") for financial and non-financial information publicly disclosed by companies. The establishment of ESAP is the first point of the new action plan on the Capital Markets Union 2020 aiming to create a register of ESG data at EU level to provide easily accessible, comparable and machine readable information through standardization of formats to remove the difficulties encountered by the various stakeholders in accessing, comparing and using companies' financial and sustainability-related information.

On 21 April 2021, the European Commission published a package of measures on Sustainable Finance, which included proposals for inclusion of ESG into the existing MiFID 2 Regulation. The financial advisors are required to gather information about ESG

preferences of clients and take them into consideration when providing advice or propose financial products. Additionally, the financial institutions are requested to integrate sustainability factors, risks and preferences into organizational and operational processes. The Delegated Acts needs to be approved by the European Parliament and Council (a scrutiny period of 3 months that can be extended by another 3 months) followed by the transposition in the legislation of each Member State.

DIGITAL FINANCE

On 24 September 2020, the European Commission published a Digital Finance Package with the main aim to support the EU digital transformation of finance in the coming years while regulating its risks. Four broad priorities will guide the EU's initiatives to promote digital transformation until 2024 with associated actions (legislative and non-legislative) that the Commission would like to put forward in the next four years.

Removing fragmentation in the Digital Single Market: In 2021, the Commission will propose to harmonise rules on customer onboarding and will build on the upcoming review of the e-IDAS (electronic IDentification Authentication and Signature) Regulation to implement an interoperable cross-border framework for digital identities.

Adapting the EU regulatory framework to facilitate digital innovation, the Commission proposed in September 2020 for the first time new legislation on crypto-assets, the so called "Markets in Crypto Assets" (MiCA) regulation to ensure clarity and legal certainty for issuers and providers of crypto assets that are not currently covered by current EU legislation. Safeguards include capital requirements. Issuers of significant crypto-assets (the so-called global "stablecoins") will be subject to stricter requirements (e.g. in terms of capital, investor rights and supervision). The Commission also proposed a pilot regime, which allows temporary derogations from existing rules, for market infrastructures that wish to try to trade and settle transactions in financial instruments in crypto-asset form. To facilitate digital innovation, the Commission also presented in April 2021 a proposal for a regulatory framework on Artificial Intelligence (AI) aimed both at promoting its development but also at managing its potential risks.

Promoting data-driven innovation in finance: In coordination with the PSD2's review and building on initiatives in the data strategy (Data Governance, Data Act and the Digital Markets Act as well the Digital Services Act), the EC will present a legislative proposal for a broader open finance framework by mid-2024.

Addressing the challenges and risks associated with digital transformation, the Commission proposed a 'Digital Operational Resilience Act' (DORA) to prevent and mitigate cyber threats and enhance oversight of outsourced services. The proposed legislation will require all firms to ensure that they can withstand all types of ICT related disruptions and threats and also introduces an oversight framework for ICT providers, such as cloud computing service providers.

Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency

There are no recent events particular to the Issuer which are to a material extent relevant to an evaluation of the Issuer's solvency.

Credit ratings

As at the date of this Prospectus, UniCredit has been rated as follow:

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F3	BBB-	stable	5 November 2020
S&P	A-2	BBB	negative	29 October 2020
Moody's	P-2	Baa1	stable	12 May 2021

During the validity of this Prospectus, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website.

The rating agencies Fitch, S&P and Moody' are established in the European Economic Area, are registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

BUSINESS OVERVIEW

Principal activities

A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed

UniCredit is a simple pan-European commercial bank with a fully plugged in Corporate & Investment Bank, delivering a unique Western, Central and Eastern European network to its extensive client franchise.

UniCredit offers local and international expertise providing unparalleled access to market leading products and services in its core markets.

As at the date of this Prospectus, no significant new product or activity has been introduced.

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

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network limited to Core clients (excluding Corporate clients, supported by Corporate and Investment Banking Division and clients supported by Foreign Branches), Leasing (excluding Non-Core clients), Factoring and UniCredit S.p.A. structures included in local Corporate Centre that support the Italian business network.

In relation to individual clients (Mass market, Affluent, Private and Wealth), Commercial Banking Italy's goal is to offer a full range of products, services and consultancy to fulfill transactional, investments and credit needs, relying on branches and multichannel services provided thanks to new technologies.

The territorial organisation promotes a bank closer to customers and faster decision-making processes, while the belonging to UniCredit Group allows to support companies in developing an international attitude.

Commercial Banking Germany

Commercial Banking Germany provides all German customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services.

It is composed of:

- "Privatkundenbank" (Individual Clients segment) that serves retail and private banking customers with banking and insurance solutions across all areas of demand and all-round advisory services reflecting the individual and differentiated needs in terms of relationship model and product offering;
- "Unternehmerbank" (Corporate segment) that employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany;
- Local Corporate Center.

Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, real estate customers and wealth management customers.

Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).

Commercial Banking Austria

Commercial Banking Austria provides its Austrian customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services. It is composed of:

- "Privatkundenbank" (Private Customer Bank) that covers private individuals, ranging from mass-market to affluent customers, high net-worth individuals and business customers; it includes Schoellerbank, a well-established subsidiary servicing wealthy customers;
- "Unternehmerbank" (Corporate Customer Bank, excluding CIB clients) servicing the entire range of SMEs, medium-sized and large companies, which do not access capital markets (including real estate and public sector); it includes the product factory leasing;
- Local Corporate Center.

A broad coverage of individual clients and companies is ensured through its nation-wide branch network. Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.

Commercial Banking Austria applies an integrated service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches which are continuously modernised, new formats of advisory service centres and modern selfservice branches, internet solutions, mobile banking with innovative apps and contact to relationship managers via video-telephony.

Corporate & Investment Banking (CIB)

The CIB Division targets mainly Large Corporate and Multinational clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 31 countries with a wide range of specialized products and services, combining geographical proximity with a high expertise in all segments in which it is active.

Moreover, CIB acts as products and solutions provider for the commercial network, provides structured financing, hedging and treasury solutions for corporate and investment products for private and retail, according to the "CIB fully plugged-in concept". In the light of a more integrated client offering, Joint Venture between Commercial Banking and CIB division have been set up in Italy and Germany, with the objective to increase cross selling of investment banking products (M&A, Capital Markets and derivatives) to commercial banking clients.

The organisational structure of CIB is based on a matrix that integrates market coverage (carried out through an extensive commercial network in Western Europe and an international network of branches and representative offices) and product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).

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

The three following Product Lines supplement and add value to the activities of the commercial networks:

- Financing and Advisory ("**F&A**") - F&A is the expertise centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a wide variety of products and services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Structured Trade and Export Finance.

- Markets - Markets is the centre specialised for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralised product line, Markets is responsible for the coordination of financial markets related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.
- Global Transaction Banking ("**GTB**") - GTB is the centre for Cash Management, e-banking, Supply Chain Finance, Trade Finance products, Factoring and global securities services.

Moreover the controlled company UCI International Luxembourg operates in Global Family Office activities.

Central and Eastern Europe (CEE)

The Group, through the CEE business segment, offers a wide range of products and services to retail, corporate and institutional clients in 10 Central and Eastern Europe countries: Bosnia- Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia. 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 and Austrian customers.

With respect to corporate clients, 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 Centre

The Group Corporate Centre's objective is to lead, 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. In this framework, an important objective is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. In the Group Corporate Centre are included also the Group's Legal Entities that are going to be dismissed.

Non Core

Starting from the first quarter of 2014 the Group decided to introduce a clear distinction between the abovementioned activities defined as core segment, meaning strategic business segments and in line with risk strategies, and activities defined as non-core segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile.

Specifically, the non-core segment includes selected assets of Commercial Banking Italy (identified on a single deal/client basis) to be managed with a risk mitigation approach and some special vehicles for securitisation operations.

The basis for any statements made by the Issuer regarding its competitive position

No precise data about Issuer's competitive position are included in this Prospectus.

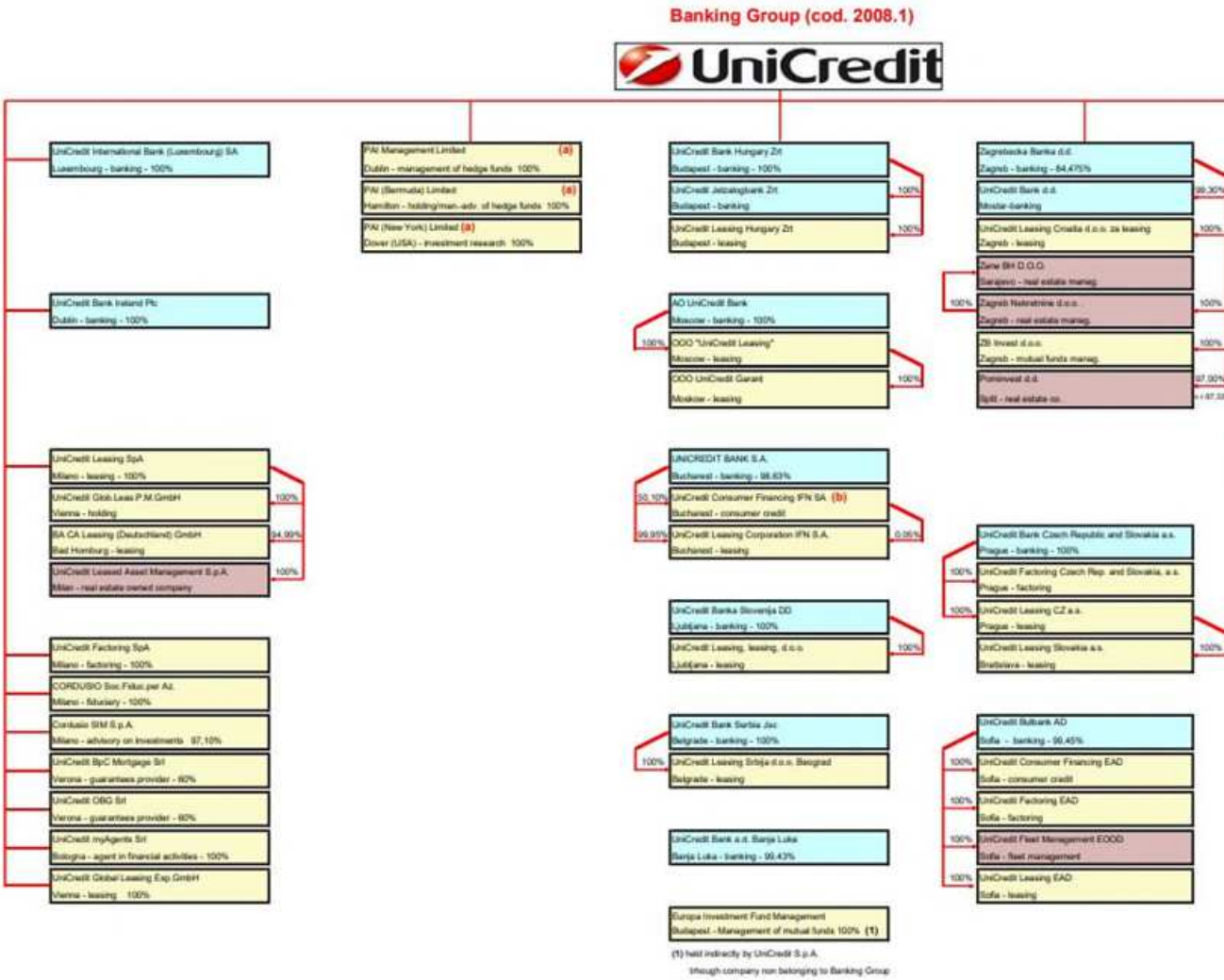
ORGANISATIONAL STRUCTURE

Brief description of the group and the Issuer's position within the group

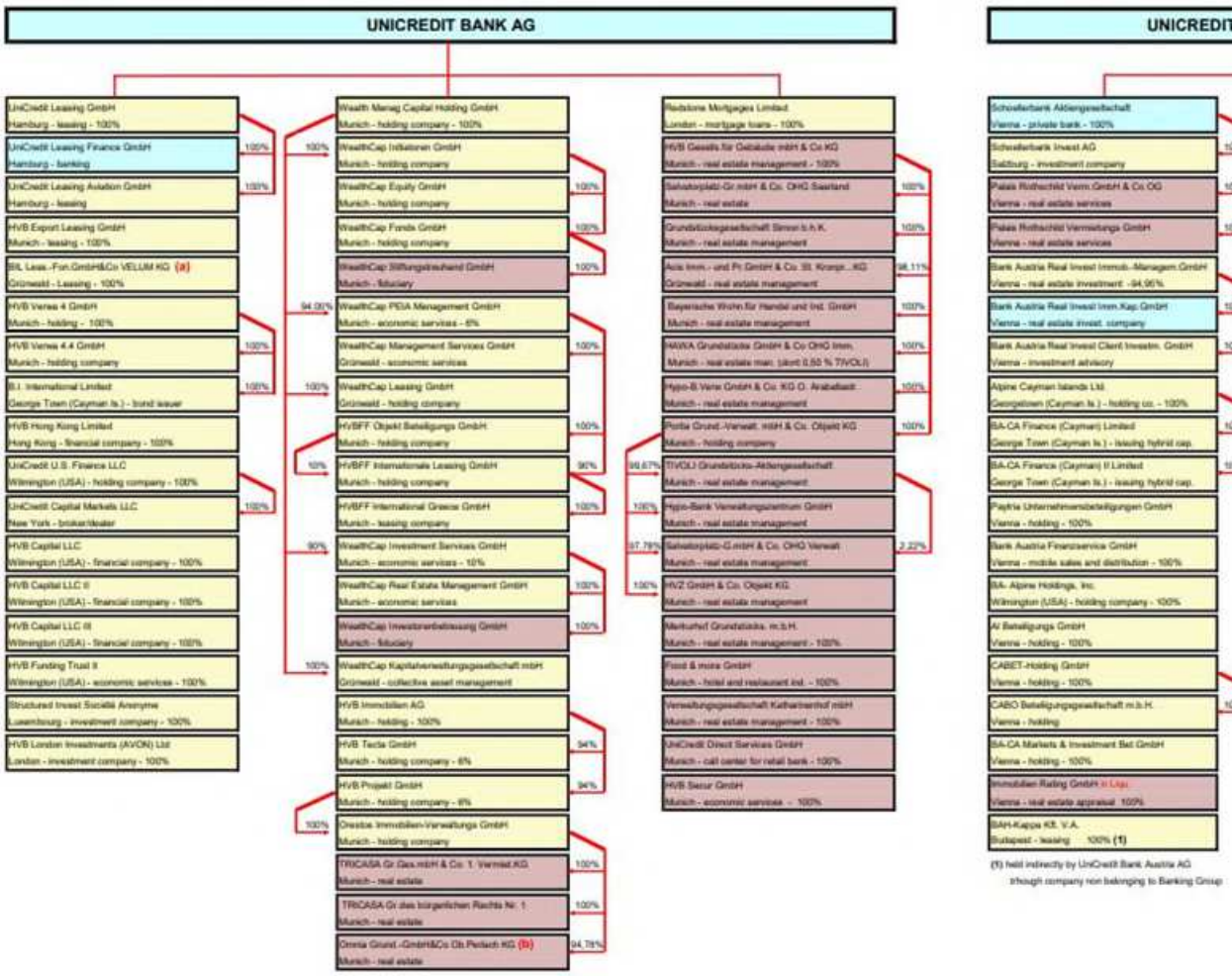
UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out organic policy, governance and control functions vis à vis its subsidiary banking, financial and instrumental companies.

UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Italian Banking Act issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the supervisory authorities in the interest of the banking group's stability.

The following diagram illustrates the banking group companies as at 14 January 2021.


Banking Group (cod. 2008.1)
UniCredit
UniCredit International Bank (Luxembourg) SA
Luxembourg - banking - 100%
UniCredit Bank Ireland Plc
Dublin - banking - 100%
UniCredit Leasing SpA
Milano - leasing - 100%
UniCredit Factoring SpA
Milano - factoring - 100%
CORDUSIO Soc.Fiduc.per Az.
Milano - fiduciary - 100%
Cordusio SIM S.p.A.
Milano - advisory on investments 97,10%
UniCredit BpC Mortgage Srl
Verona - guarantees provider - 60%
UniCredit OBG Srl
Verona - guarantees provider - 60%
UniCredit myAgents Srl
Bologna - agent in financial activities - 100%
UniCredit Global Leasing Exp.GmbH
Vienna - leasing 100%
P/N Management Limited (a)
Dublin - management of hedge funds 100%
P/N (Bermuda) Limited (a)
Hamilton - holding/man.-adv. of hedge funds 100%
P/N (New York) Limited (a)
Dover (USA) - investment research 100%
UniCredit Bank Hungary Zrt
Budapest - banking - 100%
UniCredit Jelzalogbank Zrt
Budapest - banking
UniCredit Leasing Hungary Zrt
Budapest - leasing
AO UniCredit Bank
Moscow - banking - 100%
OOO "UniCredit Leasing"
Moscow - leasing
OOO UniCredit Garant
Moskow - leasing
UNICREDIT BANK S.A.
Bucharest - banking - 98,63%
UniCredit Consumer Financing IFN SA (b)
Bucharest - consumer credit
UniCredit Leasing Corporation IFN S.A.
Bucharest - leasing
UniCredit Banka Slovenija DD
Ljubljana - banking - 100%
UniCredit Leasing, leasing, d.o.o.
Ljubljana - leasing
UniCredit Bank Srbija Jsc
Belgrade - banking - 100%
UniCredit Leasing Srbija d.o.o. Beograd
Belgrade - leasing
UniCredit Bank a.d. Banja Luka
Banja Luka - banking - 99,43%
Europa Investment Fund Management
Budapest - Management of mutual funds 100% (1)
(1) held indirectly by UniCredit S.p.A.
through company non belonging to Banking Group
Zagrebacka Banka d.d.
Zagreb - banking - 84,475%
UniCredit Bank d.d.
Mostar-banking
UniCredit Leasing Croatia d.o.o. za leasing
Zagreb - leasing
Zane BH D.O.O.
Sarajevo - real estate manag.
Zagreb Nekretnine d.o.o.
Zagreb - real estate manag.
ZB Invest d.o.o.
Zagreb - mutual funds manag.
Pominvest d.d.
Split - real estate co.
UniCredit Bank Czech Republic and Slovakia a.s.
Prague - banking - 100%
UniCredit Factoring Czech Rep. and Slovakia, a.s.
Prague - factoring
UniCredit Leasing CZ a.s.
Prague - leasing
UniCredit Leasing Slovakia a.s.
Bratislava - leasing
UniCredit Bulbank AD
Sofia - - banking - 99,45%
UniCredit Consumer Financing EAD
Sofia - consumer credit
UniCredit Factoring EAD
Sofia - factoring
UniCredit Fleet Management EOOD
Sofia - fleet management
UniCredit Leasing EAD
Sofia - leasing
UniCredit Gmbh.Leas.P.M.GmbH
Vienna - holding
BA CA Leasing (Deutschland) GmbH
Bad Homburg - leasing
UniCredit Leased Asset Management S.p.A.
Milan - real estate owned company
100%
94,99%
100%
50,10%
99,95%
0,05%
100%
100%
100

Annex A



(a) voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) (b) 5,22% held by WealthCap Leasing GmbH (c) % considering shares held by other Companies control

(z) Requested to Bank of Italy the inclusion in the Banking Group

Dependence upon other entities within the Group

At the date of this Prospectus, UniCredit is not dependent upon other entities within the Group and no individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree 58/1998, as amended (the "**Financial Services Act**").

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Names, business addresses and functions of the members of the Board of Directors and Board of Statutory Auditors and an indication of the principal activities performed by them outside of the Issuer where these are significant with respect to the Issuer

The board of directors (the "**Board**" or the "**Board of Directors**") is elected by UniCredit shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit's Articles of Association, the Board is composed of between a minimum of 9 and a maximum of 24 members.

The Board of Directors currently in office was appointed by the UniCredit's Ordinary Shareholders' Meeting on 15 April 2021 for a term of three financial years and is composed of 13 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2023. The members of the Board of Directors have been appointed on the basis of a proportional representation mechanism ("*voto di lista*") and in compliance with the provisions on gender balance.

The following table sets forth the current members of UniCredit's Board of Directors as at the date of this Prospectus.

Name	**Position**
Pietro Carlo Padoan[1-3]	Chairman
Lamberto Andreotti[1-2-3]	Deputy Vice Chairman
Andrea Orcel	Chief Executive Officer*
Vincenzo Cariello[1-2-3]	Director
Elena Carletti[1-2-3]	Director
Jayne-Anne Gadhia[1-2-3]	Director
Jeffrey Alan Hedberg[1-2-3]	Director
Beatriz Lara Bartolomé[1-2-3]	Director
Luca Molinari[1-2-3]	Director
Maria Pierdicchi[1-2-3]	Director
Francesca Tondi[1-2-3]	Director

Renate Wagner[1-2]	Director
Alexander Wolfgring[1-2-3]	Director

Notes:

(1) Director that meets the independence requirements pursuant to Section 148 of the Financial Services Act.

(2) Director that meets the independence requirements pursuant to section 13 of the Treasury Decree no. 169 dated November 23, 2020.

(3) Director that meets the independence requirements pursuant to Section 2, recommendation 7, of the Italian Corporate Governance Code.

* Also elected General Manager by the Board of Directors on 15 April 2021.

The information on the Board of Directors and its update is available on the UniCredit website. The business address for each of the foregoing Directors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Pietro Carlo Padoan

- Member of the Board of the Institute of International Finance (IIF)
- Vice Chairman of IAI – Istituto Affari Internazionali
- Senior Fellow and member of the Scientific Council of SEP – School of European Political Economy, LUISS University
- Honorary Board Member of Scope Foundation

Lamberto Andreotti

- Member of the Board of Directors of Corteva Agriscience
- Senior Advisor of EW Healthcare
- Member of the Board of Directors of American Italian Cancer Foundation
- Member of the Board of Directors of Salzburg Festival Society

Andrea Orcel

- Non-executive Director of EIS

Vincenzo Cariello

- Founding and Name Partner Studio Legale Professor Cariello
- Member of the Board of Directors of A2A S.p.A.

Elena Carletti

- Full Professor of Finance, Bocconi University, Department of Finance

- Vice Chairperson of the European Finance Association (EFA)
- Research Professor, Bundesbank
- Scientific Director, European University Institute, Florence School of Banking and Finance (FBF)
- Member of the Advisory Scientific Committee, European Systemic Risk Board (ESRB) - European System of Financial Supervision
- Member of Expert Panel on banking supervision, European Parliament
- Member of the Scientific Committee "Paolo Baffi Lecture", Bank of Italy
- Member of the Scientific Committee, Bruegel

Jayne-Anne Gadhia

- Founder and Executive Chair of Snoop
- Chair of HMRC (Non-Commercial role)
- Non-Executive Chair (Advisory) of Goldacre
- Senior Independent Director /Chair of Audit Committee and Finance and Operations Committee (Non-Commercial role) of Tate Board of Trustees
- Member of Lloyds Culture Advisory Group
- Mayor of London - Member of Business Advisory Board
- Member of Financial Inclusion Policy Forum
- Member of Commission for Smart Government

Jeffrey Alan Hedberg

- CEO of Wind Tre S.p.A.
- Vice Chairman of ASSTEL
- Advisory Board Member - SDA Bocconi

Beatriz Lara Bartolomé

- Sole Administrator of AHAOW
- Innovation & Digital Transformation Board PROSEGUR
- Seed Investor & Strategic Advisor ZELEROS Hyperloop
- Financial Investor & Senior Advisor OPINNO
- Mentor at Startup Lab, International MBA, IE Business School

Luca Molinari

- Head of Financial Services at Mubadala Investment Company
- Non-Executive Director at Sanad Group

Maria Pierdicchi

- Non-Executive Board Member and Chair of Human Resources Committee of Gruppo Autogrill
- Chairwoman and Board Member of NED COMMUNITY
- Board Member of PBI S.p.A.

Francesca Tondi

- Member of the Advisory Board of Angel Academe
- Member of the Board of Directors of Angel Academe Nominee
- Member of the Selection Committee, Mentor of Fintech Circle
- Member of "Women supporting Women" of "Princess Trust" Foundation

Renate Wagner

- Member of the Board of Management Allianz SE
- Member of the Board of Management Allianz Deutschland AG

Alexander Wolfgring

- Member of the Board of Directors (Executive Director) of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Board of Directors of AVZ GmbH
- Chairman of the Supervisory Board, Österreichisches Verkehrsbüro AG
- Chairman of the Supervisory Board, Verkehrsbüro Touristik GmbH
- Member of the Board of Directors of AVB Holding GmbH
- Member of the Board of Directors of API Besitz, GmbH
- Member of the Board of Directors of Mischek Privatstiftung

Board of Statutory Auditors

Pursuant to the provisions of the UniCredit Articles of Association, the Board of Statutory Auditors (the "**Board of Statutory Auditors**") consists of five permanent statutory auditors, including a Chairman, and four stand-in statutory auditors.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 11 April 2019 for a term of three financial years and its members may be re-elected.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2021.

The members of the Board of Statutory Auditors have been appointed on the basis of a proportional representation mechanism ("*voto di lista*") and in compliance with the provisions on gender balance.

The following table sets out the current members of UniCredit Board of Statutory Auditors as at the date of this Prospectus:

Name	**Position**
Marco Rigotti	Chairman
Angelo Rocco Bonissoni	Statutory Auditor
Benedetta Navarra	Statutory Auditor
Guido Paolucci	Statutory Auditor
Antonella Bientinesi	Statutory Auditor

The information on the Board of Statutory Auditors and its update is available on the UniCredit website.

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the Statutory Auditors of UniCredit which are significant for UniCredit are listed below:

Marco Rigotti

- Chairman of the Board of Directors of Alisarda S.p.A

Angelo Rocco Bonissoni

- Attorney of Nuova CPS Servizi S.r.l.
- Statutory Auditor of Telecom Italia S.p.A.
- Statutory Auditor of Atlantia S.p.A.

Benedetta Navarra

- Member of the Supervisory Board and of the Audit Committee of UniCredit Bank Czech Republic and Slovakia, a.s.
- Member of Audit Committee of UniCredit BulBank A.D.
- Member of the Board of Directors of A.S. Roma S.p.A.
- Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Statutory Auditor of Italo S.p.A.
- Chairman of the Board of Statutory Auditors of Guala Closures S.p.A.
- Chairman of the Board of Statutory Auditors of Isola dei Tesori S.r.l.
- Chairman of the Board of Statutory Auditors of D.M.O. Pet Care S.r.l.
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Confcommercio imprese per l'Italia Provincia di Roma Capitale
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Promo.Ter Roma

Guido Paolucci

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of Telecom Italia San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sammarinese S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Società Gemelli Molise S.p.A.
- Statutory Auditor of Società HYLE Capital Partners SGR S.p.A.
- Chairman of the Board of Statutory Auditors of Fondazione "Casa Sollievo della Sofferenza"

Antonella Bientinesi

- Chairman of the Board of Statutory Auditors of Cerved Group S.p.A.
- Chairman of the Board of Statutory Auditors of Anas S.p.A.
- Statutory Auditor of ACER SEDE S.p.A.
- Statutory Auditor of Enel Energia S.p.A.
- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.

- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

Conflicts of Interest

As at the date of this Prospectus, and to the best of UniCredit's knowledge, with regard to the members of the UniCredit Board of Directors and Board of Statutory Auditors there are no conflicts of interest between any duties to the Issuer, arising from the office or position held within UniCredit, and their private interests and/or other duties, except for those that may concern operations put before the relevant bodies of UniCredit, in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the UniCredit Board of Directors and Board of Statutory Auditors must indeed comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53, paragraph 4, of the Italian Banking Act, without prejudice to the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, sets forth the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates), concerning transactions with related parties and the relevant Communication No. 10078683 dated 24 September 2010, as well as the provisions issued by the Bank of Italy concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Supervisory Regulations for the banks issued by the Bank of Italy).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties or with associated persons, directly or through controlled companies.

For information on related-party transactions, please see Part H of the notes to the consolidated financial statements of UniCredit as at 31 December 2020, incorporated by reference herein.

Notwithstanding the obligations of Article 2391 of the Italian Civil Code, UniCredit and its corporate bodies have adopted measures and procedures to ensure compliance with the provisions relating to transactions with its corporate officers, as well as transactions with related parties and associated persons.

MAJOR SHAREHOLDERS

Information related to the shareholder structure of the Issuer

No individual or entity controls UniCredit within the meaning provided for in Article 93 of the Financial Services Act.

As at 26 April 2021, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

Major Shareholders	**Ordinary Shares**	**% owned(1)**
BlackRock Group	114,907,383	5.122(2)
Capital Research and Management Company	112,363,870	5.008(3)
- of which on behalf of EuroPacific Growth Fund	78,373,584	3.493
Allianz SE Group	69,623,563	3.103
Norges Bank	67,366,057	3.003

(1) figures updated based on the last communication received on 26 April 2021 according to current legislation

(2) non-discretional asset management

(3) discretional asset management

On 14 April 2021, the temporary rules on enhanced transparency for changes in major holdings and statements about investment objectives ended. As such, as of that date, the ordinary rules come back into force, as per Article 120, paragraph 2, of the Consolidated Law on Finance (TUF). So, it is necessary to notify the investee company and CONSOB when the stake held exceeds 3 per cent. of the capital granting voting rights in a listed company.

The table does not include any other shareholders who have exceeded the relevant threshold, but have not yet notified this or are not required to notify it under current laws.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

As at the date of this Prospectus, as far as the Issuer is aware, there are no arrangements the operation of which, at a subsequent date, could result in a change in control of the Issuer.

LEGAL AND ARBITRATION PROCEEDINGS

Legal and arbitration proceedings

The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the "**Companies**"). Assuming the possibility of outlays in reference of some of the aforementioned proceedings, whether carrying out the related estimates for potential disbursement is feasible, as at 31 December 2020, the Companies decided to set aside appropriate provisions for risks and charges for Euro 655.9 million, of which Euro 370.7 million for the Parent Company UniCredit S.p.A.

As at 31 December 2020, the Companies were named as defendants in about 37,900 legal proceedings, of which approximately 9,200 involving the Parent Company UniCredit S.p.A. (excluding labor law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies). As at 31 December 2020, the total amount of claimed damages relating to the relevant judicial proceedings (excluding labor law cases, tax cases and debt collection proceedings) is equal to Euro 10 billion, of which approximately Euro 6.6 billion for the proceedings involving the Parent Company UniCredit S.p.A.

In a greater detail, it mainly deals with:

Madoff

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the "**Companies**") have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC ("**BLMIS**"), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non-US funds of funds that had invested in other non-US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non-US jurisdictions), for a total damage compensation claims of over $ 6 billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the "**SIPA Trustee**") responsible for the Madoff's company liquidation continues to pursue claims related to transfers of money made by BLMIS

pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd ("**BAWFM**"), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies. In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and their affiliated entities.

As at 31 December 2020, there were several pending civil proceedings against UniCredit Bank Austria AG ("**UCB Austria**") for the total claimed damages amount of € 5.15 million. While a large majority of the judgments have been favourable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff's matter.

Furthermore, UCB Austria had been named as a defendant in criminal proceedings in Austria concerning the Madoff case, on allegations that it breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund while other allegations relate to the level of fees and embezzlement. In November 2019, the criminal investigation against UCB Austria and all individual defendants was closed by the public prosecutor. Private parties appealed and a decision is awaited.

Proceedings arising out of the purchase of UniCredit Bank AG (UCB AG) by the parent company UniCredit S.p.A. and the related Group reorganisation

Squeeze-out of UCB AG minority shareholders (Appraisal Proceeding)

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to €38.26 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB AG, which is the basis for the calculation of the price to be paid to the former minority shareholders. At present the proceeding is pending in the first instance.

Squeeze-out of UCB Austria's minority shareholders (Appraisal Proceeding)

In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to €129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). At present the proceeding is pending in the first instance.

Financial sanctions matters

Following the settlement in April 2019 with the U.S. and New York Authorities, the parent company UniCredit S.p.A., UCB AG and UCB Austria have implemented additional requirements and controls, about which the banks make periodic reports to the authorities.

Euro-denominated bonds issued by EU countries

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government

bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by UCB AG between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of € 69.4 million on the parent company UniCredit S.p.A and UCB AG; the amount of the fine is broadly in line with the provision previously recognized, thus - accordingly - it will not cause any material impact on the second quarter 2021 Group's accounts. The parent company UniCredit S.p.A. and UCB AG maintain that the findings do not demonstrate any wrongdoing on the part of the Group. They strongly object to the allegations made in the decision and to the imposition of the fine and will challenge the decision by filing an appeal in front of the General Court of the European Union.

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs filed their fourth amended class action complaint on 9 February 2021, repleading their claim against UCB AG and UniCredit Capital Markets LLC and other financial institutions. Like earlier pleadings, the fourth amended class action complaint does not include a quantification of damages claimed. Exchange of correspondence concerning motions to dismiss the fourth amended complaint commenced in April 2021.

Proceedings related to claims for Witholding Tax Credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called “cum-ex” transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG. The findings of the Supervisory Board’s investigation indicated that the bank sustained losses due to certain past acts/omissions of individuals.

The Supervisory Board has brought proceedings for compensation against three individual former members of the management board, not seeing reasons to take any action against the current members. In line with the suggestion of the Regional Court of Munich I, the conflicting parties settled the dispute out of court.

In addition, criminal investigations have been conducted against current or former employees of UCB AG by the Prosecutors in Frankfurt am Main, Cologne and Munich with the aim of verifying alleged tax evasion offences on their part. UCB AG cooperated, and continues to cooperate, with the aforesaid Prosecutors who investigated offences that include alleged tax evasion in connection with cum-ex transactions both for UCB AG’s own book as well as for a former customer of UCB AG. Proceedings in Cologne against UCB AG and its former

employees were closed in November 2015 with, inter alia, the payment of a fine of €9.8 million by UCB AG. The investigations by the Frankfurt am Main Prosecutor against UCB AG under section 30 of the Administrative Offences Act (the Ordnungswidrigkeitengesetz) were closed in February 2016 with the payment of a fine of €5 million. The investigation by the Munich Prosecutor against UCB AG was closed in April 2017 with legally binding effect following the payment of a forfeiture of €5 million.

In December 2018, in connection with an ongoing investigation against other financial institutions and former bank employees, UCB AG was informed by the Cologne prosecutor of the initiation of an investigation in connection with an administrative offence regarding "cum-ex" transactions involving Exchange Traded Funds (ETF). In April 2019, these investigations were extended to so-called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB AG is cooperating with the Authorities.

The Munich tax authorities are currently performing a regular field audit of UCB AG for the years 2013 to 2016, which includes, among other things, a review of other transactions in equities around the dividend record date. During these years, UCB AG performed, among other things, securities-lending transactions with different domestic counterparties which include, but are not limited to, different types of security transactions around the dividend date. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of transactions carried out close to the dividend record dates, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. UCB AG has made provisions.

Proceedings relating to certain forms of banking transactions

The UniCredit Group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to the UniCredit Group, rather affect the financial sector in general.

In this regard, as at 31 December 2020 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of €1.1 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was €744 million, mediations included) and the German market (for which the claimed amount against UCB AG was € 27 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CEE countries (for which the claimed amount was around €151 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company

UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit Group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency (FX) loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CEE countries including Croatia, Slovenia and Serbia.

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the "**Conversion Amendments**").

In September 2016, UCB Austria and Zagrebačka Banka ("**Zaba**") initiated a claim against the Republic of Croatia under the Agreement between the Government of the Republic of Austria and the Government of the Republic of Croatia for the promotion and protection of investments in order to recover the losses suffered as a result of the Conversion Amendments. In the interim, Zaba complied with the provisions of the new law and adjusted accordingly all the respective contracts where the customers requested so. Following a hearing, the arbitral tribunal ruled on part of the Respondent's jurisdictional objections. The arbitral proceedings remain pending.

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zaba. In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into Euro are valid and accordingly no additional payments are due. In October 2020 the Supreme Court, as well as one additional lower court, approached the European Court of Justice with a request for

preliminary ruling asking for an interpretation on the applicability of the Directive on unfair terms in consumer contracts and consequently whether a consumer who converted its loan in accordance with the terms of the of the Conversion Amendments is entitled to additional payments. The matter of the validity of the FX clauses contained in mortgages and loan documentation is still pending before the Constitutional Court of the Republic of Croatia. Provisions have been booked which are deemed appropriate.

VIP 4 Medienfonds

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom UCB AG issued loans to finance their participation, brought legal proceedings against UCB AG. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB AG's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

Vanderbilt related litigations

Claims brought or threatened by or on behalf of the State of New Mexico or any of its agencies or funds

Vanderbilt Financial LLC ("**VCA**") related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. (PGAM), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the "**Defendants**") were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the "**Public Authority**"), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately $365 million. In 2012, the Defendants reached a settlement agreement for an amount of $24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the State of New Mexico renewed their request for Court approval of the settlement. The Court held a hearing in April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and in June 2020, the New Mexico Court of Appeals affirmed that judgment. A motion for rehearing was subsequently denied. In October 2020, the New Mexico Supreme Court declined to hear a further appeal, but the former State employee

subsequently petitioned for rehearing, and that motion remains pending. The settlement cannot be effectuated while the appeal remains pending. If the judgment continues to be upheld on appeal, the escrowed amount will be paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to €20.26 million. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.

Most recently, the expert appointed by the Court in the majority of the civil proceedings has issued a report largely in favour of UCB Austria and the other issuing banks. Investors have a different reading of the report and have requested that the expert answers supplementary questions, as did the issuing banks. The processing of the supplementary questions is still pending. Therefore, the final outcome of the expert report cannot be assessed as of yet.

In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable expert opinion mentioned above, at the moment it is impossible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

Valauret S.A.

Civil claim filed in 2004 by Valauret S.A. and Hughes de Lasteyrie du Saillant for losses resulting from the drop in the share price, between 2002 and 2003, including allegations on alleged fraudulent actions by members of the company's Board of Directors and others. UCB Austria (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 based on the fact that it was banker to one of the defendants. The total claimed amount is equal to €129.86 million (plus costs €4.39 million). Furthermore, in 2006, before the action was extended to UCB Austria, the civil proceedings were suspended following the opening of criminal proceedings by the French State that are underway. In December 2008, the civil proceedings were also suspended against UCB Austria. Nevertheless, the proceedings are still pending and may be adverse to UCB Austria, although the alleged claims are considered unfounded.

Divania S.r.l.

In 2007, Divania S.r.l. (now in bankruptcy) ("**Divania**") filed a lawsuit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now

UniCredit S.p.A.) alleging violations of law relating, inter alia, to financial products in relation to certain rate and currency derivative transactions entered into 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.), demanding damages in the amount of €276.6 million, legal fees and interest. Divania also seeks the nullification of a 2005 settlement reached by the parties in which Divania had agreed to waive any claims in respect of the transactions. In 2017, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately €7.6 million plus interests and part of the expenses in favour of Divania's bankruptcy trustee and found that it did not have jurisdiction to rule on certain of Divania's claims. The parent company UniCredit S.p.A. appealed.

Divania filed two additional lawsuits before the Court of Bari: (i) one for €68.9 million in 2009 (subsequently increased to €80.5 million), essentially mirroring the claims brought in its lawsuit filed in 2007; and (ii) a second one for €1.6 million in 2006. With respect to the first lawsuit, in May 2016, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately €12.6 million plus costs. The parent company UniCredit S.p.A. appealed. With respect to the second lawsuit, in 2015, the Court of Bari rejected Divania's original claim and the judgment has res judicata effect.

I Viaggi del Ventaglio Group (IVV)

In 2011, IVV DE MEXICO S.A., TONLE S.A. and the bankruptcy trustee of IVV INTERNATIONAL S.A. filed a lawsuit against the parent company UniCredit S.p.A. in the Court of Milan demanding approximately €68 million in damages. In 2014, the bankruptcy trustees of IVV Holding S.r.l. and IVV S.p.A. filed two additional lawsuits against the parent company UniCredit S.p.A. in the Court of Milan demanding €48 million and €170 million, respectively, in damages. In October 2019, the bankruptcy trustee of I Viaggi del Ventaglio Resorts Ventaglio Real Estate S.r.l. filed an additional lawsuit in the Court of Milan against the parent company UniCredit S.p.A. demanding a total of €12.8 million in damages.

The four lawsuits pertain to allegedly unlawful conduct with regard to certain loans and certain derivative transactions. At present, (i) the parent company UniCredit S.p.A. won the first case both in the first-instance and on appeal; the plaintiffs may further appeal to the Supreme Court; (ii) the Bankruptcy Trustee and the parent company UniCredit S.p.A. reached a settlement agreement approved by the Court for the second case; (iii) the third case is pending in the first-instance and in July 2020 the bankruptcy trustee and the parent company UniCredit S.p.A. reached a settlement agreement by which the bankruptcy trustee will waive its claims against the Bank; the case will continue between the parent company UniCredit S.p.A., on one side, and the former statutory auditors and guarantors of the plaintiff, on the other, in light of the contribution claims raised by the latter against UniCredit S.p.A. in the context of the same proceedings; and (iv) in the fourth case the Court is to rule on the evidentiary requests submitted by the parties.

Lawsuit brought by "Paolo Bolici"

In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of approximately €12 million for compound

interest (including alleged usury component) and €400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first instance and the appeal is pending.

On 31 July 2020, Mr. Bolici's business partner sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings.

Mazza

In 2005, the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately €84 million. The criminal court of first instance acquitted the defendants. This decision was reversed by the Court of Appeal of Rome, which found all the defendants guilty.

Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of approximately €15 million) has been ruled in favour of UniCredit and the plaintiffs have appealed; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approximately €379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. and the plaintiffs may appeal. In the view of the parent company UniCredit S.p.A., these lawsuits currently appear to be unfounded, in particular in light of the criminal judgment by the Court of Appeal of Rome and the civil judgment by the Court of Rome.

So.De.Co. - Nuova Compagnia di Partecipazioni S.p.A.

As part of a restructuring, in 2014, Ludoil Energy S.r.l. ("**Ludoil**") acquired the "oil" business from Nuova Compagnia di Partecipazione S.p.A. ("**NCP**"). In March 2016, So.DeCo., a wholly owned subsidiary of Ludoil, filed a lawsuit in the Court of Rome against its former directors, NCP, the parent company UniCredit S.p.A. (in its capacity as holding company of NCP) and the external auditors (PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A.) claiming damages of approximately €94 million for allegedly failing to provision properly for supposed environmental risks and thereby causing the inflation of the sale price paid by Ludoil. In November 2019, the Court rejected So.De.Co.'s claims in their entirety and ordered it to pay costs in favour of the defendants. So.De.Co. appealed the judgment and reduced its claim to approximately € 17 million. In November 2017, So.De.Co. filed a separate lawsuit against NCP and its former directors. The case is ongoing. In February 2019, NCP commenced an arbitral proceeding against Ludoil (So.De.Co.'s sole shareholder). The proceedings are ongoing.

Criminal proceedings

Certain entities within UniCredit Group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with

regard to various cases linked to banking transactions, including, specifically, in Italy, the offence pursuant to Article 644 (usury) of the Italian Criminal Code.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit Group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or the UniCredit Group.

In relation to the criminal proceedings relating to the diamond offer, see the following paragraph "*Diamond offer*".

Labour-related Litigation

The Companies are involved in employment law disputes and, as the date of this Prospectus, there are pending disputes brought against it. In general, provisions have been made, judged by the Parent Company and, time to time, by all the interested Subsidiaries as adequate in order to cover any potential and connected disbursement. On this matter we report lawsuits brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund aimed to reconstitute the patrimony of the fund, ascertain and quantify social security individual position of each member. Claims' value is about € 384 million. The litigations are now pending before the Supreme Court after two degrees decisions favourable to the Bank. No provision has been made as these claims are considered groundless.

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017, UniCredit started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions.

The initiative has been adopted assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of €4 million paid in the same year. Following the

appeal filed by UniCredit against such ruling, the Administrative Tribunal in second instance reduced the fine imposed on UniCredit to € 2.8 million.

On 8 March 2018, a specific communication was issued from the Bank of Italy concerning the "Related activities exercisable by banks", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies.

As at 31 December 2020, UniCredit:

- received reimbursement requests for a total amount of about €404 million (cost originally incurred by the Clients) from No.11,975 customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur;
- with reference to the scope outlined in the previous point (€404 million), reimbursed No.8,031 customers for about €302 million (equivalent value of original purchases), equal to about 75% of the reimbursement requests said above.

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Risk and Charges Fund was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value.

Finally, the gems purchased are recognised for about €73 million in item "130. Other assets" of the balance sheet. This value is consistent with the main parameters of the reference market, and also reflects the likely effects associated with the liquidity crisis in the sector, heavily affected by the COVID-19 outbreak which characterised the economic scenario in 2020.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of €33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of €72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Article 25-octies of Legislative Decree No.231/2001 are pending against UniCredit for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001. In September 2020, a new notice pursuant to Article 415-bis of the Italian Code of Criminal Procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit individuals only pertain to the offence of fraud. Such new allegations do not modify the overall investigative framework as per the notice served in

the autumn of 2019. Following the notification of the notices pursuant to Article 415-bis, if the Public Prosecutor determines to request the indictment for all or part of the subjects involved, the preliminary hearing phase will take place.

Proceedings related to Tax matters

Pending cases arising during the period

UniCredit filed a claim, in September 2020, against a partial denial of an IRES tax refund for the years 2007, 2008 and 2009 following a partial refund in July 2020. The amount of the litigation is Euro 1,9 million, equal to the amount of the credit registered in the accounting books of the bank. The claim aims at receiving the repayment of a share of principal and higher interests accrued on the principal already paid as well as on the share of principal still to be paid.

Updates on pending disputes and tax audits

With reference to pending disputes and tax audits, the following information is reported:

- At the end of the proceedings amounting to € 0.5 million pending before the Supreme Court relating to a tax assessment for IRPEG and ILOR 1987 referred to former Carimonte Banca S.p.A., the Court issued a judgment in July 2020 partially in favour of the bank (it upheld the claim concerning the calculation of the percentage of deductibility of passive interests and other costs and charges for ILOR purposes) and referred the parties to the second degree Tax Court. The bank, following an in-depth assessment of the outcome of the referred proceedings, decided not to file a claim before the second degree Tax Court.

- As to a set of proceedings relating to denial of refund of IRAP 2001 credits and IRPEG 2000 and 2001 credits, for a total amount of Euro 9.3 million, the Tax Agency filed different claims before the Supreme Court against the judgements issued in favour of the bank by the second degree Tax Court and it also filed appeals for the revision of said judgements. The proceedings are actually pending before both the Supreme Court and the second-degree Tax Court.

- UniCredit, following a tax audit carried out on the "Fondo Pensione C.C.R.V.E.", was served with notices imposing penalties for VAT purposes against former UniCredit Real Estate S.C.p.a., for alleged violation of invoicing rules in relation to rental fees paid to Fondo Pensione C.C.R.V.E. for the years 2007 – 2012. As to the fiscal years 2007 – 2011, the proceedings are pending before the Supreme Court (Euro 0.5 million). As concerns the year 2012 (€ 0.1 million), UniCredit, in November 2020, filed an appeal before the second-degree Tax Court against the decision of the first-degree Tax Court and the proceeding is pending.

- In the context of a set of litigations in charge to UniCredit S.p.A., following the sale back, in June 2020, of tax credits previously assigned to Banca Farmafactoring. S.p.A., with specific reference to a litigation concerning the implied decision of denial ("silenzio rifiuto") of a tax refund request for IRPEG 1997 submitted by former Banca di Roma S.p.A., equal to € 43.5 million, UniCredit, in September 2020, filed an appeal

against the decision of the first-degree Tax Court. For the other litigations relating to the same matter, UniCredit will become a party in the proceedings and will request the exclusion of Banca FarmaFactoring from said proceedings according to Article 111, Italian Code of Civil Procedure.

- The Supreme Court issued a decision in September 2020 regarding a notice of assessment referred to former UniCredit Banca S.p.A. and concerning VAT 2004 for a claimed amount of € 2.27 million. The decision is partially in favour of the Tax Agency and the Supreme Court referred the parties to the second-degree Tax Court to rule also on legal expenses. The claims raised by the Tax Agency are related to the costs paid by some legal entities of the Group for company meetings abroad. The bank will file a claim before the second-degree Tax Court.
- With reference to the settlement of tax litigations, the following information is reported:
  - as to the settlement of tax litigations according to Law Decree No. 119/2018 with the payment of € 2.1 million, that was mentioned in the financial statements of 2019, all settlements were finalized as no formal denial has been notified by the Tax Agency, according to Article 6 of Law Decree No. 119/2018; moreover, the proceedings were suspended up to 31 December 2020;
  - the litigation relating to a request of payment served to UniCredit S.p.A. in its quality of incorporating entity of UniCredit Bank Austria A.G. Italian branch, by which it was claimed failure to pay withholding taxes for an amount of € 1.5 million, was settled out of Court following the total cancellation of the request by the Tax Agency;
  - in March 2020, UniCredit Bank A.G. Milan branch was served with a request of documents on transfer pricing issues for the fiscal years 2015, 2016 and 2017; the claim was settled by means of the so-called "accertamento con adesione" administrative procedure with the payment of € 0.8 million.
- As to the notices of assessment relating to VAT for the fiscal years 2013 e 2014 referred to UniCredit Bank A.G. Italian branch, total amount € 27.31 million, in October 2020, the Tax Agency cancelled the requests for the entire amount for both the fiscal years.
- The Italian Tax Police ("Guardia di Finanza") carried out on UniCredit Leasing S.p.A. a tax audit for the fiscal years 2014 – 2017: for the year 2014 the company was served with a notice of assessment and € 0.22 million were paid; for the year 2015 the Tax Policy issued a tax audit report, no claims were raised and the bank notified its comments ("osservazioni"). The audit aimed at assessing compliance with tax obligations relating to VAT with specific reference to leasing contracts concerning ships sailing on high seas and used for trade purposes for the years 2014 – 2017. As concerns the fiscal years 2016 and 2017, the tax audit is ongoing.

For more information, reference is made to the information that has been disclosed in the Consolidated Financial Statements as at 31 December 2020.

As at 31 December 2019, the provisions for tax risks referred to tax litigation, tax audit and tax credits amounted to € 177.9 million, of which € 6.5 million for legal expenses. As at 31 December 2020, the provisions for the above-mentioned tax risks amount to €180.8 million, of which € 6.4 million for legal expenses.

Proceedings connected with Supervisory Authority Measures

The UniCredit Group is subject to complex regulation and supervision by, inter alia, the Bank of Italy, CONSOB, the EBA, the ECB within the European System of Central Banks (ESCB), as well as other supervisory authorities. In this context, the UniCredit Group is subject to normal supervision by the competent authorities. Some supervisory actions have resulted in investigations and charges of alleged irregularities that are in progress as at the date of this Prospectus. The Group has acted to prove the regularity of its operations and does not believe that these proceedings could have relevant effects on the financial situation or profitability of the Issuer and/or the UniCredit Group.

In this regard, it should be noted that, on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. As required by the "Italian personal data protection Code" (Article 166, c. 6 of Legislative Decree 196/03) the Bank has presented its statement of defence on the matter and explained its argument during the hearing with the Authority in September 2020. It is currently not possible to define the timeline and outcome of the proceedings.

MATERIAL CONTRACTS

Except for the ordinary course of business, UniCredit has not entered into any material contract which could result in any group member being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

DESCRIPTION OF THE PORTFOLIO – THE CREDIT AND COLLECTION POLICIES

Set out below is an overview 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) asset backed securities issued in the framework of securitisations having the characteristics of article 2, para. 1, lett. d), of the MEF Decree whose underlying assets are comprised of Mortgage Receivables and provided that such asset backed securities comply with all the following: (a) the cash-flow generating assets backing the securitisation transactions securities meet the criteria laid down in Article 129(1)(d) to (f) of Regulation (EU) No 575/2013 in respect of securitisation transactions securities backing covered bonds, (b) the cash-flow generating assets were originated by an entity closely linked to the issuer of the covered bonds, as described in Article 138 of the Guideline of the European Central Bank dated 19 December 2014 ((UE) 510/2015), (c) they are used as a technical tool to transfer mortgages or guaranteed real estate loans from

the originating entity into the cover pool of the respective covered bond; and (d) the requirements provided by Circular n. 285 of 17 December 2013 of the Bank of Italy (Supervisory Guidelines for the Banks) (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 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 or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or

  (b) in case of Commercial Mortgage Loans, one or more entities, of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence 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);

(vi) loans having at least one instalment (even an only interest one) fallen due and paid;

(vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years or in case of Commercial Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

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 Law, 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

Commercial Mortgage Loans

The terms set out below with a capital letter and not otherwise defined herein shall have the same meaning as in the Servicing Agreement.

Process of assessment and disbursement

The process of assessment of the creditworthiness and disbursement of loans to the business customers is managed through a dedicated application based on statistical scores which reworks in an ordered and articulated way the information that the Seller has on the company applying for a loan, on its competitors, and the relevance and intensity of the risk factors which can compromise its skill in realizing the debt service and it integrates it with the available data from external informative bases (*Credit Bureau privati e di Viglianza*).

The process of assessment is made up of the following main phases:

1) Arrangement of the credit line application which includes the activity of collection of information from the customer, the personal details of the counterparties and the input of data in the Seller's applications;

2) Filling in of the proposal and calculation of the credit rating, upon data acquisition from external Credit Bureau and assessment of the guarantor's riskiness; and

3) Determination of the deliberative body on the basis of the Seller's procedures and considering the applicant's characteristics (or of the economical group it belongs to) and of the transaction.

The assessment logic at the basis of such application is focalised on the source of reimbursement of the granted credit lines which is realized in the analyses:

1) Of the required operation, with particular reference to the credit line purpose and the means of reimbursement;

2) Of the applying customer, in terms of skill in generating cash flows in favour of the debt and the risk capital and in maintaining a balanced property, financial and income structure, its competitive position, etc.; and

3) Of the possible real and/or personal security supporting it.

The rating models applied by the Seller to the companies and validated by Bank of Italy for A-IRB use,are specialized on the basis of the turnover and of the kind of counterparty. They express a general viewpoint on the credit line of the counterparty deriving from the integration of the synthetic risk assessments which emerge from different areas of analyses:

- Economic-financial data (investments, liquidity, productivity, profitability, circulating capital);

- Qualitative data (non financial information, obtained through a questionnaire and represented for example by data regarding the history of the company, the company and organisational structure, assessments on the strategic coherence and on the competitive position, information about the entrepreneur);

- Data regarding the geographical and sector placement and the dimension characteristics of the counterparty;

- Internal behavioural data of the system (e.g. Office of credit risks - *Centrale dei Rischi*), synthesized by a statistical predictive score which nourishes the trend monitoring system.

The rating is calculated and used in the phase of first disbursement and it is updated eriodically on the basis of the trend component and every time that the information regarding the other components of the rating system are modified (e.g. financial statements, qualitative questionnaire, dimensional and geo-sector variables).

Required security

The security aims at strengthening the principle of property liability of the principal debtor and therefore, at assuring the Seller an enhanced certainty of performance or an enhanced efficacy of the enforcement action in case of breach.

Therefore, as the security is an ancillary element of the secured claim, at the moment of the assessment of the person to whom we grant a credit line, they have to be considered as such. Such assessment has hence to take into account, as fundamental element, the ability of the person to face his/her obligations, regardless of the given security.

The ancillary nature of the security ensures that the guarantor's obligation exists *provided that* there is a principal obligation of which it follows the development (e.g. the waiver to the credit line by the bank during a transaction with the main debtor determines the discharge also of the obligation of the guarantor).

The concept of the ancillary nature of the security implies that the acquisition of security does not influence the determination of the level of risk of the credit line; it is in fact a matter of credit line with better security, as it is intended in addition to the ability of performance of the obligations of the beneficiary.

For the security to form a protection against the risk, they have to be able to assure an effective recovery of the credit exposure in case of breach, both in terms of legal efficacy and in terms of suitable cover of the exposure.

Thus, the process of management of the security takes place within the scope of the process of assessment of the credit line and it is expressed in managerial phases (acceptance, assessment and fulfilment, monitoring and administration, realization).

The Seller has implemented a specific process in order to verify the "legal certainty" of the security (the legal validity, the efficacy, the binding aspect and their application) which is realized through electronically traced controls of different levels.

Collection

For the purposes of the better administering the portfolio transaction, the Servicer and its authorized agents, if appointed (hereinafter for brevity: the Servicer's delegate), will exchange information with each other and their respective data collection systems, accounting and Credits administration.

Monitoring of the first risk signals

The monitoring of the business customers, carried out through the process of "Monitoraggio in continuo" consists in all the activites that the Bank performs in order to identify and promply react to the synthoms of a potential debtor's credit quality deterioration (credit or refund capacity). The process is supported by several instruments / procedures that allow to processthe information provided by internal or external sources of the Bank and provide the relevant involved professionals with the list of debtors whose risk indicators show a deterioration. The process is supported by the TMP monitoring system/tool.

The activity aims at analysing the information deriving from the daily management of the debtor and promptly ifidentifying the Mortgage Receivables with a deteriorating risk profile, in order to ensure the ability of managing the credit and the control of the main credit quality variables.

All positions under monitoring can be referred to three of this macro classes:

- IN BONIS (BO): relations having regular trend;

- WHATCH LIST (W1/W2/W3): relations which highlight signals of anomaly of a certain seriousness and duration/frequency, but that can be foreseeably overcome;

- TO BE CALLED OFF (A1/A2): Mortgage Receivables for which, without prejudice of business continuity and of the flows that ensure the repayiment of the debts, the intention is to interrupt the relationship with the debtor

- CLASSIFICATION AS NON PERFORMING LOAN (RC): clients with objective difficulties that it is expected to be resolved , without losses, in a reasonable time regardless of the existence of securities or collateral on the loan (Incagli) or clients with insolvency (also not declared by the Court) or situations of no-temporary difficulties to fulfill duties and obligations that it is foreseeable will result in losses regardless of the existence of personal security or collateral (Sofferenze).

Collection

At the expiry date of the instalment, the Servicer shall monitor the payment of the Debtors who have authorised the direct charge on account domiciled at the Servicer, simultaneously crediting the Collection Account with the sums received by the Debtors in accordance with the Servicing Agreement. The automatic charge of the instalments will be done only in the presence of the 100 per cent of the liquid funds necessary to make the payment: therefore the system may not accept partial payments. Any other collection received in relation to the Mortgage Receivables through a different mechanism (cash payment or bank transfer, through direct interbanking remittance (RID) or other technologies) shall be transferred to the Collection Account with same value date of the date on which collection was made or previous if acknowledged by the Debtor following the procedures according to the Servicing Agreement.

Monitoring and administration

The periodical charge of the loan instalments in the specific procedure of the Servicer produces records (evidenze) in the relations if the instalment is not covered by the saccount (conto d'appoggio) on which the instalments are paid.

Such records are used by the peripheral competent commercial structure of the Servicer to make preliminary controls and to promote potential interventions directed to arrange arrears (control of possible technical anomalies, of the whole operation of the customer in arrear, etc.)

The non payment of the instalments activates a signal in the monitoring tool (TMP) which shall be promptly analyzed and assessed by the Servicer.

The existence of overdue or overdraft (scaduto o sconfinato) receivables of the Debtor implies a proposal of management classification of the monitoring tool TMP in relation to the different time persistence of the identified arrears and to the other characteristics of the counterparty.

The confirmation of such proposal determines the application of management rules defined in order to reduce the exposure and/or the risk of the position, possibly also through the re-modulation of the amortisation plan within the limits authorised by the Servicing Agreement, or to entirely recover the exposure in a prompt and effective way, also through the enforcement of the guarantee to the main credit , if any, or through the management of the arrears by spacialized and dedicated professionals.

Administration of Defaulted Receivables

In case of inefficacy of the amicable settlement (*recupero bonario*) activity or prompltly upon the occurrence of certain conditions/events which, also based on the recommendation of the Servicer's delegate and on the opinion of the Servicer, or directly at the discretion of the Servicer, highlight a worsening of the creditworthiness of the Debtor, the Receivable shall be classified by the Servicer as "*Credito in Sofferenza*". In case of classification of a Receivable as "*Credito ad Incaglio non revocato",* the Servicer shall require the payment of the overdue instalments plus interest di mora in relation to the original amortisation plan. If the Receivable is classified as incaglio revocato o "*Credito in Sofferenza*", the Servicer shall terminate the financing agreement demanding full payment of any outstanding amount.

The Receivable will be classified by the Servicer as "*Credito ad Incaglio*" when the default of the Debtor is due to circumstances of temporary objective difficulties which are likely to be removed in a reasonable period of time.

For the purposes of the issue programme and the relative reports, the Mortgage Receivables classified as Default Receivables shall not be classified as Receivables "*in bonis*", even if the relevant Borrower returns to be "*in bonis*".

The Servicer, in addition to the correct classification, shall evaluate the Mortgage Receivables and is responsible of protection and credit recovery activities in cooperation with its delegates.

The decision of the Servicer to use the delegates of the Servicer in order to perform recovery activities is regulated by the service model of the Bank for the "non performing " Receivables ("Incaglio Revocato" and "Sofferenza"): in any case the recovery activites of receivables classified as "Incaglio Revocato" and "Sofferenza" can be subject to assignment, in compliance with the mandate, to the Servicer's delegates.

In particular, the delegates of the Servicer shall take all out-of-court and/or judicial initiatives which deem achievable e and appropriate for the administration of the relevant Mortgage Receivables, in accordance with the procedures described below. It shall analyse in detail the documentation relating to the relevant Receivable received by the Servicer and shall upload all details relating to the file into its management system.

The management tool shall assign the file to an internal manager on the basis of several criteria, such as geographical placement of the Debtor, his/her business sector, the kind of exposure and its amount.

Within predetermined limits, an external consultant/third party company, selected in accordance with pre-set criteria, may be appointed to assist the internal manager. The activity of such external consultant is put under the strict control of the internal manager.

The manager of the delegates of the Servicer, also using the external consultants/third party companies, shall endeavour to resolve the file through out-of-court activities, based on negotiations with the assigned Debtor with respect to his/her debt repayment.

The proposal for the debt position settlement shoult be formulated by the manager of the delegates of the Servicer in accordance with the powers vested under the Servicing Agreement.

The proposal so formulated shall be subject to a resolution by the competent body of Servicer's delegate, on the basis of the delegation system envisaged by the Servicer's delegate itself, and the outcome of the decision shall be then communicated to the Debtor.

If the decision of the competent body in relation to the proposal, on the other hand, is negative and no alternative negotiated solutions are reached, legal action shall be undertaken if deemed appropriate or convenient (notification of the injunction, protective measures on assets/properties, notification of the precept, attachment in the presence of mortgaged property, and consequential executive process and real estate selling, in accordance with the applicable rules of law). With respect to the judicial activities, the Servicer's delegate shall use external legal advisors of its choice , with proved experience in credit recovery legal activity and which use the same management system enabling a timely monitoring of such legal activity.

In any case, even pending the relevant legal activities, any initiative including out-of-court ones, shall be attempted in order to recover a claim with the purpose of maximising recoveries whilst minimising costs.

Once all activities and renegotiation attempts with the clients have been proven to be ineffective and, in the opinion of the Servicer's delegate, no other actions to recover the due amount are feasible, the Servicer's delegate shall proceed with the sale of the Receivable, in compliance with and subject to the conditions set out under the Servicing Agreement. The conclusion of the judicial and/or out-of-court procedure is reached by means of either the collection of the sums realised or, in case of negative outcome, the mere termination of the appointment.

In any case the Servicer's delegate will communicate to the Servicer whether the Receivable was recovered in full or in part or the impossibility or non convenience of further judicial or out-of-court activities in relation to such Receivable.

Any full or partial write off shall be subject to a resolution of the competent body of the Servicer.

If the positions classified to Incaglio Revocato or Sofferenza were kept in the direct management of the Servicer for the recovery activity, all the judicial and/or out-of-court initiatives described above are taken and managed directly by the servicer also through external legal advisors or satisfactory consultants.

In any case positions classified “Incaglio Non Revocato” are managed directly by the Servicer as regards the activity of positions regularization in order to redevelopement of the relationship or amicable disengagement.

Positions which show economic-financial difficulties but having the features to remain on the market at commercial and industrial level and therefore can maintain and/or recover the conditions of business continuity, both in case of performing customers and in classified to default customers. These positions could be object to specialized credit management named “gestione Restructuring”, the aim of which is to secure the economic-financial business equilibrium, also through restructuring of exposures, granting of moratorium or the consolidation of overdue and/or short term exposures.

Enforcement of the security

Without prejudice to what is stated in the paragraphs above with regards to the monitoring activity of the overdue (*scaduti*) or overdraft (*sconfinati*) receivables and if the receivables , already revoked, are covered by guarantee, the Servicer will carry on any available activity aimed at their enforcement, in order to ensure the settlement of the Mortgage Receivables.

As far the omnibus guarantees are concerned, (to include in such expression also the pledges created as a guarantee of different debt positions of the Debtor), the Servicer shall be entitled to take the most suitable actions in order to put in place the most effective actions against the Debtor and the guarantor, considering the Seller 's and the purchaser's exposure a unique position, and guaranteed in the overall by the omnibus guarantee. The Servicer, in the absence of guarantor's suggestions, shall be able to charge the proceeds of the enforcement of the security that, according to its cautious assessment, is appropriate to discharge first, possibly also waiving the application of a proportional criterion, to the extent determined at the moment of Mortgage Receivables' transfer. For this purpose, the Servicer is entitled on behalf of the purchaser to carry out any necessary waivers of guarantee, if appropriate.

Early repayment

Similarly to what is provided for the Seller 's customers, from a contractual viewpoint, borrowers are allowed to pre-pay in whole or in part their debt by paying the instalment.

Full Pre-payments.

In order to make a pre-payment in full, the borrower has to pay by wire transfer the residual principal amount (after the payment of overdue and unpaid instalments), as well as the accrued interest from the expiry date of the last instalment until the date of the pre-payment. To these amounts has to be added also the penalty for prepayment (if any) calculated as a percentage on the outstanding amount of the loanat the moment of the pre-payment.

Partial pre-payment

The case of partial pre-payment, also named partial reduction, provides for the payment of a sum by the borrower as partial reimbursement of the principal amount. The partial reduction of the outstanding debt implies the recalculation of the amortisation plan which, with the same dates of payment, shall imply a reduction of the amount of the instalments to be collected.

The charges for the whole or partial pre-payment usually includes the payment of a fixed percentage applied on the principal outstanding amount.

For the best outcome of whole or partial discharge the essential requisite is the lack of unpaid overdue instalments in and, in the case of indexed rate loans, that the adjustments due (if any) have already been paid.

Residential Mortgage Loans

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, "Mutui On Line" website.

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*) (Bank of Italy 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. Credit scoring algorithm which, based on social/demographic and income parameters, provides a final score. 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;

• A/9: Castles, palaces of prominent historical or artistic value;

• A/11: Typical houses or flats.

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;

• Urban Area (not classified real estate – UE Urban Entity);

• Common Entity (not classified real estate – E – CO – (court));

• F5 Flat Roof;

• F2 Ruins (*Unità Collabenti*).

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.

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 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 Law 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 two kind of assessments of the property:

- Appraisal by an indipendent property valuation company (standard)
- Appraisal by an independent expert registered in the roll of professionals (surveyors, engineers,…).

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

Residential Mortgage Loans

The terms with initial capital below, unless otherwise defined, will have the same meaning as that given them in the Servicing Agreement.

In order to better manage the Mortgage Receivables portfolio, the Servicer and its delegates (if appointed) will share each other the information and relevant data of their collection systems, accounting and credit administration systems.

Methodology of Installment Payments

With reference to the Mortgage Receivables, at expiration date of the installment, the Servicer will monitor the payment by the assigned debtors who have authorized the direct debit through a bank account belonging to the UniCredit Banking Group, simultaneously crediting the amounts received by such debtors to the accounts of the SPV in the way specified in the Servicing Agreement. The automatic debit installments will be made only in the presence of 100% of the liquid funds needed to make the payment (the system will not accept partial payments). Any other collection received in relation to the Mortgage Receivables through a different mechanism (payment through wire transfer, through a direct inter-bank remittance (RID), or other technologies) will be credited on the accounts of the SPV with a value date equal to the date of collection or earlier if recognized by the Debtor in the manner specified in the Servicing Agreement.

Monitoring and administration

The application "Risk Monitoring Tool -SMR." is used as support of the entire operational monitoring of retail customers.

The performing portfolio Mortgage Receivables with at least one exposure that may present a risk, even potential, for the Servicer are monitored on a monthly basis.

All positions subject to monitoring can be classified within one of these macro classes:

• PERFORMING (BO): relationships with regular behaviour;

• IN OBSERVATION (IO): reports highlighting signals of anomalies of a certain severity and duration / frequency, but expected to overcome;

• TO RETURN (AR) reports that show a deterioration in the risk profile under which the Servicer decides to return in a "good-tempered" way from exposure;

• DEBT RECOVERY (RC): exposures to borrowers in temporary objective difficulties, which are likely to be resolved within a reasonable period, regardless of whether any secuities or collateral posted to support the claims (Substandard) or exposures to borrowers in default (although not legally recognized) or in similar situations, irrespective of the existence of any collateral or security to support the loan (“Sofferenze”)

The periodic debiting fo the installments of loans in the specific tool of the Servicer produces evidence in reports if the installment is not covered in the account on which the installments are settled.

To date, these findings are used by the structure of UBIS , on mandated by the Servicer, which carries out preliminary checks and promotes interventions aiming at recover the non-payment, in case of technical faults.

After the time limits defined (currently equal to a maximum of 45 days) and persisting situation of default, the monitoring and administration of these abnormal positions is centralized at the structure of Ge.Mo., which is responsible for running operation the to customers.

The centralized administration of non performing Mortgage Receivables is performed, even with the help of appropriate technological tools, in different phases associated with increasing duration of delay:

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 normally run out within 105 days from expiry date of the unpaid instalment.

B – Home Collection

After the terms established for direct reminder have expired, if delay 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 and allocation to each phase and the maintenance of the loan in each phase does not depend from the number of instalments overdue but from the number of days of delay.

Management of Defaulted Receivables

If the terms established have expired and recovery attempts without judicial recourse (either direct and/or home collection) haven't 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 *Crediti in Sofferenza*. 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 delay 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 of objective difficulties is assessed as temporary and it is expected that the situation may be corrected within a reasonable period of time.

For the purpose of the issue programme 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 (if any), 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 send reminders to 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 canceled.

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, or a similar one, enabling on-going 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 to be unsuccessful and in the Sub-Servicer's (if any) 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

According 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 through the payment of the due amount.

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. Normally tha above mentioned fee, if due, is debted in the last installment paid by the debtor.

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 in accordance with article 7-bis of the Law 130.

The OBG Guarantor is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law 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 Law 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 enrolled under number 04064320239 with the Companies Register Verona pursuant to Article 7-*bis* of the Law 130.

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 8944828. 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 and the New Portfolios under the Programme and 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.

Material Contracts

The OBG Guarantor has not entered into any contracts in the last two years outside the ordinary course of business that could materially prejudice its ability to meet its obligations to OBG Holders under the OBG Guarantee.

Administrative, Management and Supervisory Bodies

The OBG is currently managed by a Board of Directors which, in accordance with the Quotaholder's Agreement, is at the date of this Prospectus comprised by 3 directors, 2 of which to be appointed by the Seller and one of which to be appointed by SVM Securitisation Vehicles Management S.r.l.

The directors of the OBG are as at the date of this Prospectus:

Name	***Appointment***	***Address***	***Principal Activities***
Chiarelli Luciano	Chairman	Piazzetta Monte, 1 - Verona	Manager
Daniela Cinzia Giovanna Covini	Director	Piazzetta Monte, 1 - Verona	Lawyer
Nausica Pinese	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.

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.

Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") has been appointed to act as external auditors of the OBG Guarantor and are the current external auditors of the OBG Guarantor. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte audited the financial statements of the OBG Guarantor in respect of the years ended, respectively, on 31 December 2019 and on 31 December 2020.

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 2021. The OBG Guarantor does not produce interim financial statements.

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 and at the following website: https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html:

(c) the memorandum and articles of association of the OBG Guarantor;

(d) all reports, letters, and other documents, 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;

(e) the material contracts and other documents relating to the guarantee.

Legal Entity Identifier

The Legal Entity Identifier code of the OBG Guarantor is 8156002B929020A90676.

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 Ministry of Economy and Finance - Stage general accounting office established in accordance with Legislative Decree No. 39/2010 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.

Pursuant to an engagement letter entered into on 19 January 2012, as subsequently amended on 14 November 2014, the Issuer has appointed BDO Italia S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies register of Milan no. 07722780967, and enrolled under number 167911 with the register of statutory auditors ("*Registro Dei Revisori Legali*") maintained by the Ministry of Economy and Finance as Asset Monitor (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 BoI OBG Regulations with respect to the issuance of OBG; (ii) fulfilment of 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 and the BoI OBG Regulations; (iv) arithmetical accuracy of the calculations performed by the Calculation Agent in respect of the Mandatory Tests and 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; (v) the effectiveness and adequacy of the risk protection provided by any swap agreement entered into in the context of the Programme; and (vi) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRR.

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 on an annual basis 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, the Issuer, the Calculation Agent, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders entered into the Asset Monitor Agreement on 19 January

2012, as subsequently ameded, 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 OBG Guarantor and on any payments received from the OBG 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, from time to time, excess cash flow from the Interest Available Funds to cover an amount equal to the sum of (A) (B) and (C)

where

(A) means 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;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

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 and on each OC Calculation Date prior to service of a Notice to Pay, the Eligible Portfolio and the OC Adjusted Eligible Portfolio, as at the immediately preceding Reconciliation Date, is in compliance with the Mandatory Tests and the Over-Collateralisation Test, respectively. If on any Calculation Date or any OC Calculation Date (as the case may be) the Eligible Portfolio is not in compliance with the Mandatory Tests or, as the case may be, the OC Adjusted Eligible Portfolio is not in compliance with 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 (as applicable) 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 one calendar month 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 one calendar month 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 any Additional Seller (if applicable) 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 any amount to be paid in relation to the OBG in accordance with the relevant Priority of Payments.

"**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 Mortgage Receivables classified as unlikely to pay and in respect of which the relevant credit line (affidamento creditizio) has been revoked or as Crediti in Sofferenza or which have been Receivables in Arrears for at least 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 (i) any sum standing to the credit of the Accounts and (ii) 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 the Integration will not be considered for the purposes of the calculation, and (iv) in relation to any ABS Securities, if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5% of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Securities as specified in the relevant ABS Transaction documents), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5%, 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 OBG 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, at any given time, 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, at any given time, any amount of interest payable in respect of the OBG and any amount to be paid in priority to, or *pari passu* with, any amount to be paid in respect of the OBG in each case 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 reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 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, as specified in the relevant ABS Transaction documents) which would not be eligible in accordance with the provisions of the MEF Decree.

"**OC Calculation Date**" means on any give date, (a) if no Negative Report is delivered by the Calculation Agent (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

"**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 or, fo so long a breach of any of the Tests is outstanding, the last calendar day of each calendar month.

"**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 of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31days)).

"**Securities**" means the ABS Securities, the Public Securities and the securities mentioned under article, 2, para. 3, point 3, of the MEF Decree, or any one of them, as the context requires.

"**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 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, as at each OC 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 OC 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 in respect of a 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 Mortgage Receivables is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Mortgage Receivables is a

Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

"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 as specified in the relevant ABS Transaction documents), 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 OBG Guarantor, and (ii) the Outstanding Principal Balance of all the ABS Assets of the same class,

(iv) 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 (1) the higher of (a) zero and (b) the positive difference between (i) the weighted average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) 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 OC Calculation Date, 93 per cent. (which is equivalent to a minimum overcollateralization of 7,5 per cent.) or such other lower Asset 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 OC Calculation Date.

If either **(a)** the Counterparty Risk Assessment of UniCredit S.p.A. (as Issuer and Seller) (or the Additional Sellers, if any and as the case may be) falls below "P-2(cr)" in respect of short-term debt or "A3(cr)" in respect of long term debt by Moody's, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then UniCredit S.p.A. (as Seller and Issuer) (or the Additional Sellers) (as the case may be) shall notify Moody's and the Representative of the OBG Holders of such event and of the amount which may be subject to set-off in respect of any Mortgage Receivable, if applicable; such amounts will have to be communicated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be), to Moody's on a quarterly basis.

Further to such downgrading, and **(a)** for so long as the rating is not re-established at least at such levels (or for so long as UniCredit (as Seller and Issuer) and/or the Additional Seller (if any) do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the determination of the Asset Percentage shall be modified so as to deduct such amounts which may be subject to a set-off by the relevant Debtors (i.e. the Set-Off Amount), as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any, as the case may be.

If **(a)** the Counterparty Risk Assessment of the Servicer (or the Substitute Servicer, if any) falls below "P-2(cr)" in respect of short-term debt or "A3(cr)" in respect of long term debt by Moody's, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the Servicer shall notify Moody's and the Representative of the OBG Holders of such event. Further to such downgrading, and **(a)** for so long as the rating is not re-established above such levels (or for so long as the Servicer, and/or the Substitute Servicer (if any), do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, if the measures indicated under Clause 3.2(B) of the Servicing Agreement will not be put in place, then the determination of the Asset Percentage shall be modified so as to consider the amounts which may be subject to commingling risk (i.e. the Commingling Amount) in case of bankruptcy of the Servicer (or the Substitute Servicer, if any).

"**Commingling Amount**" means the amount of Collections which may be subject to commingling risk in case of bankruptcy of the Servicer (or the Successor Servicer, if any), as calculated by UniCredit S.p.A. (as Servicer) or the Successor Servicer, if any (as the case may be).

"**Loan Agreement**" means, collectively, the Non-Residential Loan Agreements and the Residential Loan Agreements.

"**Set-Off Amount**" means the sum of any amount which may be subject to set-off in respect of any Mortgage Receivable, as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be).

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:

Amortisation Amount >= 1 plus 75 per cent. of the applicable overcollateralisation level for the purposes of the Over-Collateralisation Test based on the relevant Asset Percentage applicable on the last OC Calculation Date immediately preceding the service of a Notice to Pay multiplied by the Outstanding Principal Balance of the OBGs

where,

"**Amortisation Amount**" means (A + B + C + D + E) – Z,

where

"**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 in respect of a Mortgage Receivables (i) 100 per cent. if the Mortgage Receivable is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Mortgage Receivable is a Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

"**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 OBG 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 sum of (A) and (B) where:

(A) means the amount resulting from the multiplication of the higher of (1) the higher of (a) zero and (b) the positive difference between (i) the weighted average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) the Negative Carry Corrector; and

(B) means on any given date on which the Amortisation Test is calculated, the higher of zero and U plus V minus W;

where:

"**U**" means the sum of the aggregate amount of interest payable in respect of all Series of OBG from the date of the relevant calculation up to and including the relevant Maturity Date.

"**V**" means the product of:

(i) the higher of (a) zero; and (b) the difference between (a) the expected weighted average life of the Portfolio (expressed in years) and (b) the weighted average residual life (expressed in years) from the relevant date until the relevant Maturity Date in respect of the OBG then outstanding,

(ii) the aggregate Principal Amount Outstanding of all Series on the last day of the previous calendar month, and

(iii) the weighted interest rate payable on the OBG after the Maturity Date.

"**W**" means the Expected Income.

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 that on each Guarantor Payment Date that, the OBG Guarantor would have sufficient funds set aside to pay an amount equal to to the sum of (A) (B) and (C)

where

(A) means 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;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

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 Collection Accounts, the Reserve Account and the Expenses Account (in each case as defined below) shall be held with the Account Bank for as long as the Account Bank qualifies as an Eligible Institution.

The Payment Account, the Securities Account and the Eligible Investment Account shall be held with the Paying Agent for as long as the Paying Agent qualifies as an Eligible Institution.

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) (including, for the avoidance of doubt, the Purchase Price Accumulation) 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.

(i) 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.

(ii) On the date on which the Definitive Purchase Price of the New Portfolio transferred in the context of a Revolving Assignment has to be paid in accordance with the Master Transfer Agreement, an amount equal to the lower of (a) the Purchase Price Accumulation Amount and (b) the Definitive Purchase Price of the New Portfolio, as the case may be, will be paid to the Seller and/or Additional Sellers (if any) by the Paying Agent and, after having made any such payment, any residual amount shall be transferred to the Principal Collection Account.

(the "**Payment Account**").

"**Definitive Purchase Price of the New Portfolio**" has the meaning ascribed to the expression "*Corrispettivo Definitivo del Portafoglio Successivo*" under the Master Transfer Agreement.

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:

"**Eligible Institutions**" means any banks in relation to which, on any given date, its long term unsecured, unsubordinated and unguaranteed debt obligations and its short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as the long term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below, provided nowever that if the OBG has been downgraded as a result of the downgrading of the relevant bank reference must be made to the category of the OBG as specified in column 1 of the table below immediately pripr to such downgrade.

Column 1	**Column 2**
Category of the OBG	**Long-term rating and short-term rating**
Aaa	A3 and P-1
Aa1	Baa2 and P-2
Aa2	Baa2 and P-2
Aa3	Baa3 and P-3
A1	Baa3 and P-3

"**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, the sum of (A), (B) and (C),

where

(A) means 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;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

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 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 Subordinated Loan Interest Amount 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, the sum of (A), (B) and (C),

where

(A) means 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;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

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 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, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay 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 in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as 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 to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;

(iii) *third*, if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;

(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 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), (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; (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 and (g) the positive difference (if any) between (1) the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date.

"**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 first 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.

"**Purchase Price Accumulation Amount**" means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

"**Provisional Purchase Price of the New Portfolio**" has the meaning ascribe to the expression "*Corrispettivo Provvisorio del Portafoglio Successivo*" under the Master Transfer Agreement.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following 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* according to the respective amounts thereof, any amount due and payable as interest on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(iv) *fourth*, to replenish the Reserve Account up to the Total Target Reserve Amount;

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

(vi) *sixth*, to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;

(vii) *seventh*, 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;

(viii) *eighth*, 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);

(ix) *ninth*, 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 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);

(x) *tenth*, 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

(xi) *eleventh*, 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);

(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 reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 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 of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31 days)).

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 and payable on the Pass-Through OBG and 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:

(a) general funding purposes of the Group (including funding of the mortgage loans business of the Group); or

(b) as otherwise indicated in the relevant Final Terms, including to be applied towards Eligible Green Projects, Eligible Social Projects, Eligible Sustainability Projects or a re-financing of any combination of each of the Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects (Sustainability Bonds).

In accordance with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines, only OBG financing or refinancing Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects, as the case may be, and complying with the relevant eligibility criteria and any other criteria set out in the Issuer's Sustainability Bond Framework (as defined below) and which, prior to the relevant Issue Date, will be available in the "Investors" section of the Issuer's website at *https://www.unicreditgroup.eu* (the "**Issuer's Sustainability Bond Framework**") will be classified as "Green OBG", "Social OBG" or, as the case may be, Sustainability OBG.

For the purposes of this section:

"**Eligible Green Projects**" means projects identified as such in the Issuer's Sustainability Bond Framework.

"**Eligible Social Projects**" means projects identified as such in the Issuer's Sustainability Bond Framework.

"**Eligible Sustainability Projects**" means projects identified as such in the Issuer's Sustainability Bond Framework.

For the avoidance of doubt, the Issuer's Sustainability Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

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 purchase price in respect of the Initial Portfolio has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio 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 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 Available Funds to be applied under item (ii) 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;

(ii) conditional upon compliance with the following concentration thresholds: (a) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Non-Residential Mortgage Receivables comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 30 per cent. of the Outstanding Principal Balance of the Portfolio; and (b) (a) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Mortgage Receivables granted to employees of a company belonging to the UniCredit Banking Group comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 15 per cent. of the Outstanding Principal Balance of the Portfolio; and

(iii) 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 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 € 40,000,000,000, 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 higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;

(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, as amended from time to time, 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, following the service of a Notice to Pay served as a result of the taking of a resolution pursuant to Article 74 of the Banking Law, the Issuer Event of Default consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer that had caused the service of such notice is 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 a 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, the 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 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**").

"**Scheduled Due for Payment Date**" means any date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached up to and including the relevant Extended Maturity Date, provided that the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, shall be the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor and (ii) the relevant Scheduled Payment Date.

"**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 Final 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 Final 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, as amended from time to time, between the Servicer and the OBG Guarantor (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.

The Servicing Agreement provides several actions to be taken by the Servicer if and for so long as the rating of the Servicer (or the Successor Servicer, if any) shall, *inter alia*, fall below "P-2(cr)" (short term) or "A3(cr)" (long term) by Moody's, unless, pursuant to the Portfolio Administration Agreement, taking into account the changes to the applicable Asset Percentage made under these circumstances the Mandatory Tests and the Over-Collaterisation Test are complied with. One of such actions is the notification to all Debtors of the details of a new bank account opened with an Eligible Institution in the name of the OBG Guarantor, on which the Debtors will have to transfer the amounts due under the Assets.

Back-Up Servicer

In case of loss by the Servicer of the minimum required ratings provided for under the Servicing Agreement, the OBG Guarantor shall appoint within 30 Business Days from the date on which such loss has been notified by the Servicer, a financial intermediary or a bank, having the requirements provided for in relation to the Successor Servicer and which will take the place of the Servicer in case of termination of the Servicing Agreement (the "**Back-Up Servicer**"). The Back-Up Servicer shall enter into, *inter alia*, a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

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 the threat to cease to carry on their business or a substantial part of their business or the interruption of payments or the threat to interrupt payment of their debts; and

(iii) the inability to perform their obligations under such agreement for a period of sixty days by reason of circumstances beyond their respective 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 and on each OC 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.

Starting from the first Maturity Date on which any amount in respect of a Series remained unpaid and on any date falling six months thereafter until the day on which a Negative Report for breach of the Amortisation Test has been served on the OBG Guarantor (each such date, a "**Refinance Date**"), the OBG Guarantor shall (if necessary in order to effect payments under the Pass-Through OBG and the OBG which are not Pass-Through OBG, in such last case 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 Substitute Servicer (and the Portfolio Manager) to sell as soon as practicable all or part of the Selected Assets 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 the Asset Monitor 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 the Asset Monitor 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, as amended from time to time, 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, as amended from time to time, 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 parties thereto agreed, the definitions and constructions of certain terms used in the Transaction Documents.

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 an overview 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 (as amended from time to time) 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 vehicle exclusively to meet its obligations under a guarantee to be issued by it, in view of securing the payment obligations of the selling bank or of other banks in connection with the issue of covered bonds (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 vehicle under such loan shall be subordinated to the payment obligations of the special purpose vehicle *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 relating 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.

On 8 May 2015, the Ministerial Decree No. 53/2015 (the "**Decree 53/2015**") issued by the Ministry of Economy and Finance was published in the Official Gazette of the Republic of Italy. The Decree 53/2015 provides for the implementation of Articles 106, paragraph 3, 112, paragraph 3, and 114 of the Banking Law and Article 7-ter, paragraph 1-bis of the Law 130 and entered into force on 23 May 2015, repealing the Decree No. 29/2009. Pursuant to Article 7 of the Decree 53/2015, the assignee companies which guarantee covered bonds, belonging to a banking group as defined by Article 60 of the Banking Law (such as UniCredit OBG S.r.l.),

will no longer have to be registered in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Law.

Eligibility criteria of the assets and limits to the assignment of assets

Under the MEF Decree, the following assets, *inter alia*, may be assigned to the purchasing company, together with any ancillary contracts aimed at hedging the financial risks embedded in the relevant 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 by the seller, 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 by the seller, 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 define below) (the "**Public Securities**") and (iv) securities issued in the framework of securitisations with 95% of the underlying assets of the same nature as in (i) and (ii) above and having a risk weighting non higher than 20% under the standardised approach (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets.

The BoI OBG Regulations provides that covered bonds may be issued by banks which satisfy, on a consolidated basis, the following requirements:

(i) own funds ("*fondi propri*") at least equal to €250,000,000; and

(ii) total capital ratio (*coefficiente di capitale totale*) at least equal to 9 per cent.

The above-mentioned requirements must be complied with, as at the date of the assignment, also by the banks selling the assets, where the latter are different from the bank issuing the covered bonds and do not fall within the same banking group.

If the bank selling the assets does not belong to a banking group, the above-mentioned requirements relate to the individual own funds and total capital ratio.

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 tier 1 ratio (the "**T1R**") and the common equity tier 1 ratio (the "**CET1R**"), in accordance with the following table, contained in the BoI OBG Regulations:

Capital adequacy condition		Limits to the assignment
Group "A"	T1R ≥ 9 per cent. and CET1R ≥ 8 per	No limits
Group "B"	T1R ≥ 8 per cent. and CET1R ≥ 7 per cent.	Assignment allowed up to 60 per cent. of the eligible assets
Group "C"	T1R ≥ 7 per cent. and CET1R ≥ 6 per cent. per cent.	Assignment allowed up to 25 per cent. of the eligible assets

e relevant T1R and CET1R set out in the table relate to the aggregate of the OBG 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, all the receivables relating to a Law 130 transaction, the relevant collections (to the extent that they are clearly identifiable as the relevant Law 130 special purpose vehicle's collections under the receivables), any monetary claims accrued by the relevant special purpose vehicle in the context of the relevant Law 130 transaction and the financial assets resulting from the investment of the cash referred to above are segregated from all other assets of the relevant Law 130 special purpose vehicle and from those relating to the other Law 130 transactions carried out by the same Law 130 special purpose vehicle. On a winding-up of such a special purpose vehicle, such assets will only be available to holders of the covered bonds in respect of which the special purpose vehicle has issued a guarantee and to the other secured creditors of the special purpose vehicle. 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 special purpose vehicle in respect of any unpaid debt.

Law 130 provides, *inter alia*, that to the extent that the relevant depository bank where the Law 130 special purpose vehicle holds its bank accounts in the context of a Law 130 transaction is subject to insolvency proceedings in Italy, upon the commencement of insolvency or insolvency-like proceedings against such depository bank, the amounts standing to the credit of such accounts: (i) may not be subject to the suspension of payments pursuant to article 74 of the Banking Law; and (ii) should be promptly repaid in full to the relevant Law 130 special purpose vehicle, without any need to file in the insolvency proceeding (*domanda di ammissione al passivo o di rivendica*) and outside of the applicable insolvency distributions (*fuori dei piani di riparto o di restituzione di somme*).

The Assignment

The assignment of the receivables under Law 130 will be governed by Article 58 paragraphs 2, 3 and 4, of the Banking Law. 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*) where the special purpose vehicle is registered, so avoiding the need for notification to be served on each debtor.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, the assignment becomes enforceable against:

(a) the debtors and any creditors of the originator who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant receivables;

(b) the liquidator or any other bankruptcy officials of the debtors (so that any payments made by a debtor to the special purpose vehicle may not be subject to any claw-back action according to Articles 65 and 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 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.

In addition to the above, any payment made by an assigned debtor to the OBG Guarantor is not subject to claw-back actions pursuant to article 65 and article 67 of the Bankruptcy Law.

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 on-going basis, the following mandatory tests are complied with:

(a) the outstanding aggregate nominal amount of the cover pool shall be equal to, or greater than, the aggregate nominal amount of the outstanding covered bonds;

(b) the net present value of the cover pool, net of the transaction costs to be borne by the special purpose vehicle, including therein the expected costs and the costs of any hedging arrangement entered into in relation to the transaction, shall be equal to, or greater than, the net present value of the outstanding covered bonds; and

(c) the amount of interests and other revenues generated by the cover pool, net of the costs borne by the special purpose 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.

Integration Assets

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 cover pool, in addition to eligible assets pursuant to the OBG Regulations:

(i) the creation 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 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 Limit to Integration does not apply in case of Integration Assignment

The Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations. In any event, Integration Assets may be replaced at any time without any limitation with Eligible Assets.

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 sets 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; and

(v) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRR.

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 OBG 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 (including completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRR) (*regolarità dell'operazione*) and the integrity of the OBG 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

Under the Bankruptcy Law, insolvency and turnaround proceedings may take the form of, *inter alia*, bankruptcy proceeding (*fallimento*), compulsory administrative liquidation ("*liquidazione coatta amministrativa*"), composition with creditors ("*concordato preventivo*") or creditors' agreements ("*accordi di ristrutturazione dei debiti"* or "*piani di risanamento"*). The regime set forth under the Bankrutpcy Law as described in this paragraph is only applicable to businesses (*imprese commerciali*) either run by companies or by individuals to the extent certain requirements are met.

A debtor can be subject to a bankruptcy proceeding (*fallimento*) if it is declared insolvent by a court (at its own initiative, or at the initiative of any of its creditors or the public prosecutor). Insolvency occurs when the relevant entity is not able to fulfil its obligations in a timely manner. Upon the declaration of insolvency (*sentenza dichiarativa di fallimento*), *inter alia*, the relevant entity loses control over all its assets and the management of its business, which is taken over by a court appointed receiver (*curatore fallimentare*). The creditors' claims have to be filed with the bankruptcy estate and are subject to verification by the delegated judge while the sale of the debtor's assets is conducted in accordance with a liquidation plan drafted by the court appointed receiver and approved by the creditors' committee.

A bankruptcy eligible insolvent or in distress (*stato di crisi*) debtor may propose to its creditors a composition with creditors proposal (*proposta di concordato preventivo*). Such proposal must enclose, *inter alia*: (a) an updated statement of the financial and economic situation of the company; (b) a detailed list of the creditors and their respective receivables and related security interest; (c) a list of creditors secured or guaranteed by assets owned by or in possession of the company; (d) an evaluation of the assets of the company and a list of the creditors of the potential shareholders of the company which are unlimitedly liable; (e) a plan detailing timing and manner for the satisfaction of creditors, provided that the concordato proposal shall set out the economic benefit granted to each creditor; and (f) an independent expert report assessing the feasibility of the composition with creditors proposal and the truthfulness of the business and accounting data provided by the company. Following the reform brought about by Law Decree No. 83 of 27 June 2015, as amended and converted into law by Law No. 132 of 6 August 2015 (the "**2015 Reform**"), a counter-proposal of composition with creditors (*proposta concorrente di concordato*) can be submitted by one or more creditors representing at least 10% of total indebtedness of the debtor, unless the debtor's proposal already provides for the repayment of the unsecured creditors above certain thresholds set out by the Bankruptcy Law. Furthermore, pursuant to the 2015 Reform, if the proposal (or, according to the main Italian scholars, the counter-proposal) is structured as an offer to transfer all, or part of the assets of the debtor, to a third party, the Court shall open a public bid procedure in relation to such sale of assets. The proposal (or counter-proposal) can also include debt-to-equity swap transactions. The *concordato preventivo* is voted on at a creditors' meeting and must be approved with the favorable vote of the creditors representing the majority of the receivables admitted to vote and, in the event that the concordato proposal provides for more classes of creditors, the majority of the classes. Secured creditors are not entitled to vote on the concordato proposal unless and, to the extent, they waive their security, or for an amount equal to the deficiency claim (i.e. the portion of the secured claim not covered by the fair market value of the secured asset as determined by an independent expert).

A bankruptcy eligible insolvent or in distress ("*stato di crisi"*) debtor may also enter into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) with such creditors representing at least 60 per cent of its debts, to be certified in Court. Also in this case an independent expert appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and the feasibility of the restructuring agreement, with specific reference to the fact it ensures that the non-participating creditors can be fully satisfied within the following terms: (a) 120 days from the date of approval of the agreement

by the Court, in the case of debts which are due and payable as at that date; and (b) 120 days from the date on which the relevant debts fall due, in case of debts which are not yet due and payable as at the date of the Court approval.

The 2015 Reform also introduced the possibility for a bankruptcy eligible insolvent or in distress (*stato di crisi*) debtor having 50% or more of its total indebtedness *vis-à-vis* financial creditors (*i.e.* banks or financial intermediaries) to enter into a debt restructuring agreement with such financial creditors only (to be divided in classes on the basis of the legal and economic position held by the relevant financial creditors). If such debt restructuring agreement is approved by financial creditors representing at least 75% of the relevant category, upon homologation by the competent Court it will be binding also on the non-consenting financial creditors belonging to the same category, subject to certain conditions (including, *inter alia*, that treatment of dissenting creditors is not worse than the one achievable under any other available alternative).

A bankruptcy eligible insolvent or in distress (*stato di crisi*) debtor can file a "blank proposal" (so called *concordato in bianco*). In this case, the proposal (which has to be filed together with the last three financial statements of the petitioning company and a detailed list of the creditors and their respective receivables) will be filed with the competent court requesting a term comprised between 60 and 120 days (with the possibility to obtain, in case of grounded reasons, additional 60 days) for the submission of a concordato proposal or of a debt restructuring agreement (pursuant to Article 182-bis of the Bankruptcy Law). The competent tribunal, in awarding such term for the submission of the relevant documents, may appoint a judicial commissioner monitoring the procedure and set out periodic reporting and information duties to be carried out by the debtor during the abovementioned period.

A moratorium regime in relation to the start and/or continuation of enforcement and interim actions (*azioni esecutive e cautelari*) for pre-existing claims applies, subject to certain exceptions and for specific timeframes, in the context of bankrutpcy proceedings (*fallimento*), *concordato preventivo* proceedings, "blank proposal" proceedings (*concordato in bianco*) and debt restructuring agreements (*accordo di ristrutturazione*).

Law No. 3 of 27 January 2012 provides that consumers and other entities which cannot be subject to insolvency proceedings may benefit from special proceedings for the restructuring of their debts.

Description of *Amministrazione Straordinaria delle Banche*

A bank may be submitted to the *amministrazione straordinaria delle banche* where (a) serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's 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. If the circumstances for the activation of the procedure remain, it may be extended for one or more periods of one year and the decision is published in the Official Gazette.

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 sixth business day following the date of issue of the aforesaid decree of the Minister of economy and finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The *commissari liquidatori* shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The *comitato di sorveglianza* shall (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.

Bank recovery and resolution

On 6 June 2012, the European Commission published a proposal for a new Directive relating to reorganization and resolution of banking crises, which is part of a broader initiative to create a single mechanism for the resolution of banking crises in the event of insolvency or where a bank has serious financial difficulties.

The BRRD was adopted on 15 May 2014. Member States were required to implement the BRRD by 31 December 2014, with the exception of the provisions contained in Title IV, Chapter IV, Sec. 5 (bail-in measures), which had to be implemented no later than 1 January 2016. The BRRD provides for the establishment of a series of instruments to resolve potential bank crises, safeguarding at the same time essential banking transactions and reducing to a minimum the exposure of taxpayers to losses in the (i) preparation and prevention stage, (ii) early intervention stage and (iii) resolution of the crisis stage.

In accordance with the BRRD, the entities will have to prepare recovery plans and update them on an annual basis, establishing the measures to restore the bank's financial position in the event of significant deterioration. On the other hand, the crisis resolution authorities will be in

charge of drafting crisis resolution plans for each entity, establishing the actions to take if an entity fulfills the conditions to resolve the crisis.

The main crisis resolution measures provided for are as follows:

(i) the sale of all or a part of the company assets;

(ii) the establishment of a bridging entity that would permit the temporary transfer of the performing assets of the banks to an entity controlled by public authorities (a so-called "bridging institution");

(iii) the separation of the assets, entailing the transfer of non-performing assets to a management vehicle; and

(iv) the bail-in measures.

The general principles that govern the activities of the authority in the resolution of crises are: (i) primary allocation of losses to the shareholders and, secondarily, to creditors; (ii) the guaranteed equal treatment of creditors (unless differential treatment is justified for reasons of public interest); and (iii) protection of creditors, who cannot sustain losses greater than those that would have been suffered had the bank been subject to the procedures of ordinary liquidation (so-called "no creditor worse off").

These bail-in measures provide that if insolvency proceedings against a bank are brought forth, the bail-out procedure operated through public resources will be replaced by a bail-in system, where losses are transferred to the shareholders, the junior debt holders (hybrid instruments), the senior unsecured debt security holders, the deposits by small- and medium-sized enterprises and finally to depositors for the portion exceeding the guaranteed amount (i.e., the part exceeding €100,000). A single resolution fund must be used to be created by the Member States in the event of requirements that further exceed the losses transferred as described above.

In Italy, the BRRD was implemented by Legislative Decree No. 180/2015, which established a framework for the recovery and resolution of credit institutions, and for identifying, inter alia, the powers and the instruments that the resolution authorities (including the Bank of Italy) may adopt for the resolution of banks that are failing or likely to fail (as defined by art. 17, paragraph 2 of Legislative Decree No. 180/2015). This is to ensure the continuity of an institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system, as well as the costs for taxpayers.

In particular, in the case of a bank that is failing or likely to fail, the resolution authority may use a number of recovery tools as an alternative to winding up the entity through normal insolvency proceedings. Among these, the bail-in tool represents the ability to write down up to the full amount of the nominal value of shares in the entity and to write down the claims against the bank by converting them into equity, in order to absorb the losses and recapitalize the bank in crisis or a new entity that shall continue its critical functions.

Article 20, paragraph 1 of Legislative Decree No. 180/2015 provides that, upon occurrence of the applicable conditions for the crisis management measures of the intermediary, the

resolution authority shall exercise the power to write down or convert the shares, other instruments of ownership and capital instruments (elementsof common equity tier 1, additional tier 1 instruments, tier 2 instruments), issued by the bank, if this is sufficient to address the failure or the risk of failure of the bank. When such actions are not sufficient to address the failure or risk of failure, the resolution authority may resolve or wind up the bank through normal insolvency proceedings.

In particular, shares, the other instruments of ownership and the capital instruments issued by any failing institution may be written down or converted (pursuant to article 27 of Legislative Decree No. 180/2015) either: (i) independently of resolution action or winding-up through normal insolvency proceedings; or (ii) in combination with a resolution action where the resolution plan provides for measures that may imply the write-down of the value of the rights of shareholders or creditors or disposal of their conversion to equity; in this case, the write-down or the conversion is disposed immediately before, or at the same time as, the application of such measures. The resolution's measures (art. 39, paragraph 1 of Legislative Decree No. 180/2015) include the ability to effect a bail-in.

The bail-in tool follows a hierarchy, with the riskiest securities bearing losses first.

When applying the bail-in tool, the resolution authority, pursuant to art. 52, paragraph 2 of Legislative Decree No. 180/2015, shall exercise its powers in accordance with the following priority of claims:

1. firstly, the write-down power, in proportion to the losses, as follows:
    (a) Common Equity Tier 1 Instruments;
    (b) Additional Tier 1 Instruments;
    (c) Tier 2 Instruments, including subordinated bonds;
    (d) subordinated debts other than the Additional Tier 1 Instruments and the Tier 2 Instruments; and
    (e) the remaining liabilities, including senior bonds;
2. once the losses have been recovered, or in case no losses have occurred, conversion into shares included in CET 1, as follows:
    (a) Additional Tier 1 Instruments;
    (b) Tier 2 Instruments, including subordinated bonds;
    (c) subordinated debt other than the Additional Tier 1 Instruments and Tier 2 Instruments; and
    (d) any remaining liabilities, including senior bonds.

Until 31 December 2018, as part of the "remaining liabilities", the bail-in was covering senior bonds and any other unsecured liabilities of the bank, including deposits in excess of €100,000, of any enterprise other than SMEs and micro-enterprises, inter-bank deposits with a remaining

maturity of more than seven days and derivatives. From 1 January 2019, the abovementioned deposits are preferred to the senior bonds and the other unsecured liabilities.

The liabilities set forth in art. 49 of Legislative Decree No. 180/2015, including debt secured by assets of the bank and the deposits covered by the deposit guarantee fund up to €100,000 for each depositor, are excluded from the bail-in. Certain deposits, such as those indicated in art. 96-bis of the Italian Banking Act, are excluded from the deposit guarantee fund and therefore subject to bail-in. In case a bail-in measure is applied to a bank, the deposit guarantee fund will pay the bank an amount sufficient to cover the protected deposits, as long as such sum does not exceed 50% of the fund's resources (or such higher amount as may be set by the Bank of Italy).

The bail-in tool may be used alone or in combination with other resolution measures provided for by Legislative Decree No. 180/2015, such as: (i) transfer of assets and contracts to a third party; (ii) transfer of assets and contracts to a bridge institution; and (iii) transfer of assets and contracts to a vehicle company for the management of the activity.

The Bankruptcy Law reform

Pursuant to the principles set out in Law No. 155/2017, it has been enacted Legislative Decree no. 14/2019 (hereinafter the "**New Crisis and Insolvency Code**"), lastly amended pursuant to Legislative Decree No. 147/2020, which sets out, *inter alia*, an overall reform of the Bankruptcy Law.

Except for certain provisions which are applicable starting from 16 March 2019 (including, *inter alia*, with reference to certain organizational duties for Italian corporates) and from 20 November 2020, further to the approval of Law Decree 23 of 8 April 2020, the New Crisis and Insolvency Code (as eventually amended pursuant to any new piece of legislation, taking also into consideration the provisions of Directive 2019/1023/EU) will enter into force on 1st September 2021 and will apply to turnaround and insolvency proceedings started from 1st September 2021 onwards.

Following the entry into force of the New Crisis and Insolvency Code, the turnaround and insolvency proceedings started from 1st September 2021 will be subject to a regime which is partially and in certain cases significantly different from the description provided above under sections "*Insolvency proceedings*" and "*Description of Liquidazione Coatta Amministrativa delle Banche*".

Lastly, it cannot be excluded that the New Crisis and Insolvency Code is further amended before 1st September 2021 and, in particular, that, for the provisions which are not yet effective as at the date hereof, their entry into force is postponed.

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 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, 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 apply and/or disapply and/or complete the generally applicable Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

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 €35,000,000,000 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 Part III, Chapter 3 of the "Disposizioni di Vigilanza per le Banche" (Circolare No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**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 complete these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche or more Tranches of OBG are these Conditions as completed by the relevant Final Terms. 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 Banca Finanziaria Internazionale S.p.A. (formerly 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., acting as such pursuant to the Cash Management and Agency Agreement 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;

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which: (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate,

where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable);

"**Administrative Service Provider**" means doBank S.p.A., having its registered office at Piazzetta Monte 1, Verona, Italy, in its capacity as administrative service provider under the Administrative Services Agreement;

"**Administrative Services Agreement**" means an administrative services agreement dated on or about 13 January 2012 between doBank S.p.A. as corporate servicer and the OBG Guarantor;

"**Alternative Reference Rate**" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of the OBG and of a comparable duration to the relevant OBG Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

"**Amortisation Test**" means such test provided for under the Portfolio Administration Agreement;

"**Asset Monitor**" means BDO Italia S.p.A., acting as such pursuant to the Asset Monitor Agreement and any successor thereof appointed in accordance with 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;

"**Benchmark Event**" means, in respect of a Reference Rate:

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

(b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference

Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or

(f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the OBG, in each case by a specific date on or prior to the next Interest Determination Date; or

(g) it has become unlawful (including, without limitation, under Regulation (EU) 2016/1011, as amended from time to time, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any OBG Holder using the Original Reference Rate;

"**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, London branch, acting as such pursuant to the Cash Management and Agency Agreement and the Portfolio Administration Agreement and any successor thereof appointed in accordance with the Cash Management and Agency 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 Service 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 and any successor thereof appointed in accordance with 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:

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

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

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

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

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

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

(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:

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

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

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; 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:

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

where:

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

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

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 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 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 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) for a maximum period of 38 years following the Maturity Date;

"**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 which, in respect of any Series of OBG other than Zero Coupon OBG, shall be equal to the nominal amount of the relevant OBG and wich in respect to Zero Coupon OBG shall be at least equal to the nominal amount of the relevant OBG;

"**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;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"**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 or composition with creditors or insolvent 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, insolvent 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 2484 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, merger, corporate reorganisation 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 Service 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;

"**Investors Report Date**" means 7 calendar days after each Guarantor Payment Date;

"**Investors Report**" means the report prepared in accordance with the Cash Management and Agency Agreement setting out certain information with respect to the Portfolio and the OBG;

"**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 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 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;

"**Original Reference Rate**" means:

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

(b) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 6(k) (*Reference Rate Replacement*);

"**Over-Collateralisation Test**" means the test providing a minimum level of over collateralisation as defined and calculated pursuant to the Portfolio Administration Agreement;

"**Pass-Through OBG**" means any Series of OBG in respect of which:

(a) the Issuer fails to repay in whole or in part the relevant Final Redemption Amount on the applicable Maturity Date and a Notice to Pay has been served on the OBG Guarantor; and

(b) 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 such Series of OBG as set out in the relevant Final Terms on the Maturity Date;

"**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 and any successor thereof appointed in accordance with 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;

"**Rating Agency**" or "**Moody's**" means Moody's Investors Service, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"**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 Nominating Body**" means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"**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 any date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached up to and including the relevant Extended Maturity Date, provided that the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, shall be the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor and (ii) the relevant Scheduled Payment Date.

"**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, Piazza Lina Bo Bardi 3, 20124, 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;

"**Successor Reference Rate**" means the rate: (i) that the Issuer determines is a successor to or replacement of the Original Reference Rate and (ii) that is formally recommended by any Relevant Nominating Body;

"**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.

(a) *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 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, 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 the Paying Agent(or failing the Paying Agent, by the Representative of the OBG Holders) 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

(a) *Application*

This Condition 6 is applicable to the OBG only if the "Floating Rate 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, subject to Condition 6(k) (*Reference Rate Replacement*), 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) *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.

(f) *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.

(g) *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.

(h) *Publication*

Subject to Condition 6(k) (*Reference Rate Replacement*), 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.

(i) *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 wilful misconduct (*dolo*) or gross negligence (*colpa grave*)of the Paying Agent.

(j) *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. The Representative of the OBG Holders shall not incur in any liability for such activities except in the case of its wilful misconduct (*dolo*) or gross negligence (*colpa grave*).

(k) *Reference Rate Replacement*

If (i) Reference Rate Replacement is specified in the relevant Final Terms as being applicable and the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be

determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of the OBG:

(i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next OBG Interest Period (the "**IA Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the OBG for such next OBG Interest Period and for all other future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k) during any other future OBG Interest Period(s));

(ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next OBG Interest Period (the "**Issuer Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the OBG for such next OBG Interest Period and for all other future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k) during any other future OBG Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6(k):

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k));

(B) if the relevant Independent Adviser or the Issuer (as applicable):

(I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread

shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k)); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k)); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre and/or Relevant Screen Page applicable to the OBGs and (2) the method for determining the fallback to the Rate of Interest in relation to the OBGs if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the OBGs for all future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k); and

(iv) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 6(k)(iii)(C) to the Paying Agent and, if applicable, the Calculation Agent and the OBG Holders in accordance with Condition 17 (*Notices*).

No consent of the OBG Holders or the Representative of the OBG Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 6(k) or such other relevant changes pursuant to Condition 6(k)(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 6(k) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next OBG Interest Period shall be determined by reference to the fallback provisions of Condition 6(c).

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*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 8, if redemption by instalments is specified as applicable in the relevant Final Terms for a Series of OBG, each such shall be partially redeemed on each instalment date at the related instalment amount specified in the relevant Final Terms. The outstanding nominal amount of each such OBG shall be reduced by the instalment amount (or, if such instalment amount is calculated by reference to a proportion of the nominal amount of such OBG, such proportion) for all purposes with effect from the related instalment date, unless payment of the instalment amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which payment in full of the instalment amount outstanding is made.

(ii) Unless previously redeemed, purchased and cancelled as provided below, the OBG will be redeemed on the Maturity Date at their Final Redemption Amount, or in the case of OBG falling withing paragraph (i) above at their final instalment amount, 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 the Issuer fails to pay (in whole or in part) the Final Redemption Amount in respect of a Series of OBG on the applicable Maturity Date specified in the relevant Final Terms and, the OBG Guarantor or the Calculation Agent on its behalf determines on the date falling on the Extension Determination Date 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, then (subject as provided below), payment of the unpaid amount by the OBG Guarantor under the OBG Guarantee shall be deferred automatically until the applicable Extended Maturity Date and the relevant Series of OBG shall become Pass-Through OBG provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Pass-Through OBG after 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 for such Pass-Through OBG. The OBG Guarantor shall give notice to the holders of the OBG (in accordance with Condition 17 (*Notices*) of the event that a Series of OBG has become a Pass-Through OBG.

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 Series 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 17 (*Notices*), the Rating Agency 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 Maturity 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 relevant Pass-Through OBG and shall pay the Guaranteed Amounts constituting interest in respect of each such Pass-Through 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 in respect of the Pass-Through OBG 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 the Floating Rate Provisions are not specified in the relevant Final Terms as being applicable); or

(ii) on any OBG Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable);

on giving not less than 30 nor more than 60 days' notice to the 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 8(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*

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. Such OBG may be held, resold or, at the option of the Issuer, cancelled or, as applicable, at the option any of its Subsidiaries (other than the OBG Guarantor), surrendered to the Issuer for cancellation. 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, directives and regulations in the place of payment or other laws to which the Issuer, the OBG Guarantor or their agents agree to be subject and neither Issuer nor the OBG Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 10 (Taxation). 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:

(iii) 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

(iv) 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

(v) 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

(vi) 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

(vii) where the OBG Holder 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) in respect of any OBG where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted into Law No. 649 of 25 November 1983 as amended from time to time; 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.

For the avoidance of doubt, if an amount were to be deducted or withheld from interest, principal or other payments on the OBG as a result of an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA**"), none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBG be required to pay additional amounts as a result of the deduction or withholding.

(b) *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the avoidance of doubt, for the purposes of this paragraph (b), the Issuer will not be considered to become subject to the taxing jurisdiction of the United States should the Issuer be required to withhold amounts in respect any withholding tax imposed by the United States on any payments the Issuer makes.

(c) *No Gross-up by the 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 (including, for the avoidance of doubt, the Pass-Through 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 (including, for the avoidance of doubt, the Pass-Trhough 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. Pursuant 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 Cash Management and 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 that such futher issue shall be consolidated and form a single series with any Series or upon such terms as the Issuer may determine at the time of their issue, provided that Moody's has been notified of such issuance.

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 (at www.bourse.lu) 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.

(d) *Investors Report*

The Issuer or, as the case may be, the OBG Guarantor shall make available to the holders of the OBG (in accordance with this Condition 17 (Notices) each Investors Report as soon as practicable after each relevant Investors Report Date.

18. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (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 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 for the purpose of obtaining a Voting Certificate or requesting the Paying Agent to issue a Block Voting Instruction on terms that they will not be released until after the conclusion of the Meeting in respect of which the Voting Certificate or the Block Voting Instruction 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;

"**Rating Agency**" means Moody's Investors Service, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"**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 13 August 2018, 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 OBG Holders 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 13 August 2018, 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 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 Banca Finanziaria Internazionale S.p.A. (formerly 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 13 August 2018, 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 Rating Agency

The Representative of the OBG Holder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the holders of OBG of any Series or of all Series for the time being outstanding if the Rating Agency has confirmed that the then current rating of the OBG of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise, or have otherwise given their consent, provided that the Rating Agency shall be under no obligation to provide any consent or rating confirmation. If the Representative of the OBG Holders, in order properly to exercise its rights or fulfill its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the OBG, the Representative of the OBG Holders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the OBG Holders or the Representative of the OBG Holders may seek and obtain such views itself at the cost of the Issuer.

30.8 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.

30.9 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 17 (*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.

31.5 Any variations of the Conditions and the other Transaction Documents to give effect to Condition 6(k) (*Reference Rate Replacement*) shall not require the consent or approval of the Representative of the OBG Holders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the competent authority.

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 17 (*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 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.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**")For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the " **Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the OBG or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the FSMA) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the UK PRIIPs Regulation) for offering or selling the OBG or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation

MIFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of each of the manufacturer's product approval process, the target market assessment in respect of the OBG has led to the conclusion that: (i) the target market for the OBG is eligible counterparties and professional clients only, each as defined in [MiFID II]; and (ii) all channels for distribution of the OBG to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the OBG (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the OBG (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

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 €35,000,000,000 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 7 June 2021 [and the supplement[s] to the prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**. This document constitutes the Final Terms of the OBG described herein for the purposes of Article 8 of the Prospectus Regulation 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 the website of the Luxembourg Stock Exchange at www.bourse.lu. These Final Terms will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*)

[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 9 June 2020 which are incorporated by reference in the Prospectus dated 7 June 2021. This document constitutes the Final Terms of the OBG described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Prospectus dated 7 June 2021 [and the supplement[s] to it dated [•] [and [•]] which [together] constitute[s] a base prospectus for the purposes of the

Prospectus Regulation (the "**Prospectus**"), including the Conditions incorporated by reference in the Prospectus. 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 the website of the Luxembourg Stock Exchange at www.bourse.lu. These Final Terms will be published on website of the Luxembourg Stock Exchange at www.bourse.lu and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

[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.]

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the OBG will become fungible:	[Not applicable / The OBG will be consolidated, form a single Series and be interchangeable for trading purposes with [*(insert Series Number and ISIN Code)*] on [the Issue Date/ *(insert date)*]
2.	Aggregate Nominal Amount of OBG:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
3.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
4.	(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:	[●]
5.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
6.	Maturity Date:		[*Specify date or (for Floating Rate OBG) OBG Payment Date falling in or nearest to*

		the relevant month and year.]
7.	Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the OBG Guarantee:	[●] / [Not Applicable]
8.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/– [*Margin*] per cent. Floating Rate] [Zero Coupon] (see paragraphs [14], [15] and [16] below)
9.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the OBG (other than Zero Coupon OBG) will be redeemed on the Maturity Date at par (as referred to in Condition 8(a)(ii))] / [Subject to any purchase and cancellation or early redemption, OBG (other than Zero Coupon OBG) will be redeemed in the instalment amounts and on the instalment dates set out in paragraph 23 below (as referred to in Condtition 8(a)(i))] / [Subject to any purchase and cancellation or early redemption, Zero Coupon OBG will be redeemed on the Maturity Date at [[●] *(insert an amount above 100%)*/[100]] per cent. of their nominal amount.]
10.	Change of Interest or Redemption/Payment Basis:	[●] / [Not Applicable]
11.	Put/Call Options:	[Not Applicable] [Put Option] [Call Option] [(see paragraphs [17] and [18] below)]
12.	[Date [Board] approval for issuance of OBG [and OBG Guarantee] [respectively]] obtained:	[●] [and [●], respectively] / [Not Applicable] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of OBG or related OBG Guarantee)*]

13.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**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 on each OBG Payment Date in arrear
	(ii)	OBG Payment Date(s):	[•] in each year [adjusted in accordance with [[Following Business Day Convention] / [FRN Convention, Floating Rate Convention or Eurodollar Convention] / [Modifified Following Business Day Convention or Modified Business Day Convention] / [Preceding Business Day Convention] *(specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day")*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv)	Broken Amount(s):	[•] per Calculation Amount, payable on the OBG Payment Date falling [in/on] [•] / [Not Applicable]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]
15.	**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:	[•] / [Not Applicable]
	(iii)	OBG Payment Dates:	[•] / [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/ No Adjustment]
(vi)	Additional Business Centre(s):	[Not Applicable/ [●]]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent):	[●] / [Not Applicable]
(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] / [Not Applicable]
(xiii)	Maximum Rate of Interest:	[[●] per cent. per annum] / [Not Applicable]

	(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]
	(xv)	Reference Rate Replacement:	[Applicable/Not Applicable]
16.	**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)	Day Count Fraction in relation to Condition [8(h) *(Early redemption of Zero Coupon OBG)*]:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17.	**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] / [The principal amount of the OBG outstanding on the Optional Redemption Date]
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[[•] per Calculation Amount] / [Not Applicable]
		(b) Maximum Redemption Amount	[[•] per Calculation Amount] / [Not Applicable]
	(iv)	Notice period:	[•]

18.	**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:	[•]
19.	**Final Redemption Amount of OBG**		[•] per Calculation Amount *(The Final Redemption Amount in respect of any Series of OBG other than Zero Coupon OBG shall be equal to the nominal amount of the relevant OBG)*
20.	**Early Redemption Amount (Tax)** *(Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons)*		[•] per Calculation Amount
21.	**Early Redemption Amount** *(Early redemption amount(s) per Calculation Amount payable on redemption following a Guarantor Event of Default)*		[•] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE OBG

22.	Additional Financial Centre(s):	[Not Applicable/[•]]
23.	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/ The OBG shall be redeemed on each instalment date set out below in the instalment amounts set out below]

Instalment date	Instalment amount
[•]	[•]
[•]	[•]
Maturity Date	[All outstanding instalment amounts not previously redeemed]

[**Third party information**

[(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the OBG Guarantor confirms that such information relating to the OBG has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information relating to the OBG published by (*specify source*), no facts have been omitted which would render the reproduced information relating to the OBG 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	[Official List of the Luxembourg Stock Exchange/(*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.] [The [•] were admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [•] *(specify other regulated market)*] with effect from [•]] *(Where documenting a fungible issue, need to indicate that original OBG are already admitted to trading.)*
(iii)	Estimate of total expenses related to admission to trading	[•]

2 **RATINGS**

Ratings:	[Moody's: [•]] [[Other]: [•]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

[**Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation**

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the UK CRA Regulation).]/ [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).].

Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority]. [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK))**".] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the UK CRA Regulation).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on [FCA]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the OBG is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation and/or under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the OBG to be issued under the Programme is endorsed by [[insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**")] [and/or] [[insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"

Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation and/or under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation)] [and/or] [Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation) or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the OBG is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

["Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the offer of the OBG has an interest material to the offer. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business. *(amend as appropriate if there are other interests)*]

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

4 **Reasons for the offer, estimated net proceeds and total expenses**

Reasons for the offer/use of proceeds:	[for general funding purposes of the Group]/[●] See "*Use of proceeds*" in the Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green OBG, a Social OBG, or a Sustainability OBG), will need to include those reasons here)*
Estimated net proceeds:	[●]

5 ***Fixed Rate OBG only* – YIELD**

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

6 ***Floating Rate OBG only* - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/CMS/[•]] rates can be obtained from [Reuters/[•]].] / [Not Applicable]

7 **DISTRIBUTION**

(i) If syndicated, names of Managers:	[Not Applicable/[●]]
(ii) Stabilising Manager(s) (if any):	[Not Applicable/[●]]
If non-syndicated, name of Dealer:	[Not Applicable/[●]]
U.S. Selling Restrictions:	[Reg. S Compliance Category]
Date of Subscription Agreement:	[Not Applicable/[●]]
Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the OBG clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the the OBG may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the OBG clearly do not constitute "packaged" products, or the OBG do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the OBG may constitute "packaged" products, "Applicable" should be specified.)*
EU Benchmark Regulation:	[Applicable: Amounts payable under the OBG are calculated by reference to [*insert name*[*s*] *of benchmark*(*s*)], which [is/are] provided by [*insert name*[*s*] *of the administrator*[*s*] – *if more than one specify in relation to each relevant benchmark*].

EU Benchmark Regulation: Article 29(2) statement on benchmarks:	[As at the date of these Final Terms, [[*European Money Markets Institute*]/[*ICE Benchmark Administration*]/[*administrator legal name*]] [*appears*]/[*does not appear*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the BMR.] [As far as the Issuer is aware, [[*administrator legal name*] does not fall within the scope of the BMR by virtue of Article 2 of the BMR]/[the transitional provisions in Article 51 of the BMR apply, such that the [[*European Money Markets Institute*]/[*others*]] is not currently required to obtain authorisation/registration [(or, if located outside the European Union, recognition, endorsement or equivalence)]]/ [Not Applicable]

8 **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
CFI:	[[●], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not applicable]
FISN:	[[●] as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable]
Any Relevant Clearing System(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s), address 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 overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the 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.

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.Prospective purchasers of the OBG are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the OBG.

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 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 ("**Decree No. 917**"). For this purpose, debentures similar to bonds are securities issued in series (*titoli di massa*) that (i) incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value, (ii) do not grant to the relevant holders any right to directly or indirectly participate in the management of the Issuer or of the business in relation to which they are issued or to control the same management and (iii) do not provide for a remuneration which is linked to profits.

Taxation of Interest

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; (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; (c) a private or public institution not carrying out mainly or exclusively commercial activities; or (d) an investor exempt from Italian corporate income taxation (unless the holders under (a), (b) and (c) have entrusted the management of their financial assets, including the OBG, to an authorised intermediary and have 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**"), Interest payments relating to the OBG are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. either when Interest is paid or

when payment thereof is obtained by the holder on a transfer or disposal 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 by such resident holders.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the OBG if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, as subsequently amended, Article 1 (211-215) of Law No. 145 of 30 December 2018, as subsequently amended, or Article 13-bis of Law Decree No. 124 of 26 October 2019, as subsequently amended.

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by (a) banks, *società di intermediazione mobiliare* (so called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stock brokers and other qualified entities resident in Italy, or (b) by permanent establishments in Italy of any of such intermediaries or (c) authorised intermediaries resident outside Italy which are members of a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree No. 239 ("**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.

If Interest on the OBG is not collected through an Intermediary, or absent that, by the Issuer, the Italian resident OBG holders listed above under (a) to (d) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%.Payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, are not subject to the 26 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, SICAFs ("*Società di investimento a capitale fisso*"), SICAVs (*società di investimento a capitale variabile*), Italian pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"), Italian real estate investment funds and Italian real estate SICAFs to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply ("**Italian Real Estate SICAFs**"); and (iii) Italian resident individuals holding OBG not in connection with entrepreneurial activity or non-commercial partenerships or non-commercial

private or public institution 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 the *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 their income taxes due.

Interest accrued on the OBG must be included in the yearly taxable income for the purposes of corporate income tax ("**IRES**"), generally applying at the current ordinary rate of 24% (certain categories of taxpayers, including banks and financial entities are subject to an IRES surcharge equal to 3.5%) 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, generally applying at the rate of 3,9% that can be increased by regional laws up to 0,92% (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates) 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 or non-commercial partnerships or non-commercial private or public institutions who have opted for the Asset Management Option are subject to a 26 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. The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian collective investment funds, SICAFs and SICAVs that do not invest in real estate established in Italy are not subject to *imposta sostitutiva* on the Interest and other proceeds accrued during the holding period on the OBG if either (i) the fund or SICAF or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Italian Fund**") and the relevant OBG are held by an authorised intermediary. A withholding tax may apply in certain circumstances at the rate of up to 26 percent on distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Italian pension funds subject to the regime provided by Article 17 Decree No. 252, as subsequently amended, are not subject to *imposta sostitutiva.* They are subject to a 20 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). Subject to certain conditions (including a minimum holding period) and limitations, Interest accrued on the OBG may be excluded from the taxable base of the Pension Funds if the OBG are included in a long-term individual savings plan (*piano individuale di risparmio a lungo termine*) pursuant to Article 1 (100-114) of Law No. 232 of 11 December 2016, as subsequently amended, Article 1 (211-215) of Law No. 145 of 30 December 2018, as subsequently amended, or Article 13-bis of Law Decree No. 124 of 26 October 2019, as subsequently amended.

According to the current regime provided by Law Decree No. 351 dated 25 September 2001, converted with amendments by Law No. 410 of 23 November 2001 ("**Law Decree No. 351**") and Article 9 of Legislative Decree No. 44 of 4 March 2014, payment of interest in respect of OBG made to 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 "**Italian Real Estate Funds**") and Italian Real Estate SICAFs are subject to neither *imposta sostitutiva* nor any other income tax in the hands of the Real Estate Fund or the Real Estate SICAF. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent on distributions made by Italian Real Estate Funds or Italian Real Estate SICAFs and, in certain cases, a tax transparency regime may apply in respect of certain categories of Italian-resident investors in the Italian Real Estate Funds or Italian Real Estate SICAFs owning more than 5 per cent of the relevant units or shares.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to imposta sostitutiva, the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. multiplied by the number of years of maturity of the OBG.

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 26 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, in a country which allows for a satisfactory exchange of information with Italy (the "**White List States**") as currently listed in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time; 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 a White List State; 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) 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

(b) 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 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 satisfaction of the relevant conditions and 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 26 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 these cases, the withholding tax applies

as a provisional income tax and may be deducted from the taxation on income due. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the OBG that are classified as atypical securities, if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, as subsequently amended, Article 1 (211-215) of Law No. 145 of 30 December 2018, as subsequently amended, or Article 13-bis of Law Decree No. 124 of 26 October 2019, as subsequently amended.

In all other cases, including when the OBG holder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident OBG holder, the withholding tax rate may be reduced by any applicable tax treaty, subject to satisfaction of the relevant conditions and timely filing of the required documentation.

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 26 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. Also, in the case of payments to non-Italian resident, a final withholding tax may be applied at 26 per cent.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax, subject to satisfaction of the relevant conditions and timely filing of the required documentation.

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 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by Italian resident holder who is (i) an individual, not engaged in entrepreneurial activities to which the OBG are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, on any sale or transfer for consideration of the OBG

or redemption thereof. In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the OBG if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (1008-114) of Law No. 232 of 11 December 2016, as subsequently amended, Article 1 (211-215) of Law No. 145 of 30 December 2018, as subsequently amended, or Article 13-bis of Law Decree No. 124 of 26 October 2019, as subsequently amended.

Under the so called "tax declaration regime", which is the standard regime for taxation of capital gains realised by Italian resident holders under (i) to (iii) above, the 26 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 under (i) to (iii) above may elect to pay the 26% *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 the rate of 26 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 Fund are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the relevant Italian Fund. The Collective Investment Fund Tax may apply in certain circumstances on distributions made in favour of unitholders or shareholders.

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.

The capital gains realised by Italian Real Estate Funds and Italian Real Estate SICAFs to which the provisions of Law Decree No. 351 apply are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the Italian Real Estate Fund or the Italian Real Estate SICAF. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by Italian Real Estate Funds or Italian Real Estate SICAFs and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund or Italian Real Estate SICAFs owning more than 5 per cent of the relevant units or shares.

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 taxable corporate income for IRES purposes (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 26 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, in a White List State. 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.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to OBG deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident OBG holders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 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.

Under Article 1 (114) of the Finance Act 2017, the *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, as subsequently amended, Article 1 (211-215) of Law No. 145 of 30 December 2018, as subsequently amended, or Article 13-bis of Law Decree No. 124 of 26 October 2019, as subsequently amended.are exempt from inheritance taxes.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of € 200; (ii) private deeds are subject to registration tax only in case of use ("*caso d'uso*"), cross reference ("*enunciazione*") or voluntary registration.

Stamp duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), as amended from time to time, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a OBG holder in respect of any OBG which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the OBG held. The stamp duty cannot exceed € 14.000.00 if the OBG holder is not an individual.

The stamp duty applies both to Italian resident and non-Italian resident OBG holders, to the extent that OBG are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships including *società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986 holding the OBG outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. The maximum amount due is set at Euro 14,000 for Noteholders other than individuals. In this case, the abovementioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the OBG at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax Monitoring

According to the Law Decree No. 167 of 28 June 1990, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the OBG) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to OBG deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the OBG have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

EU Directive on Administrative Cooperation in the field of Taxation and EU DAC 6 reporting obligations

On 9 July 2015, the Italian Parliament adopted Law No. 114 delegating the Italian Government to implement in Italy certain EU Council Directives, including Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). Such Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to fight cross-border tax fraud and evasion.

Following implementation of said Directive, the Italian Authorities may communicate to other EU Member States information about interest and other categories of financial income of Italian source, including income from the OBG.

The Italian government implemented the above-mentioned Council Directive 2014/107/EU in the Ministerial Decree issued by the Ministry of Finance on 28 December 2015, as amended by the Ministerial Decree on 17 January 2017.

In 2016 the Italian Parliament has also delegated the Italian Government to implement the provisions introduced by the Council Directive 2376/2015/EU on the mandatory automatic exchange of information in the field of taxation. The Council Directive 2376/2015/EU has been implemented by the Legislative Decree No. 32 of 15 March 2017, and the Council Directive 2016/2258/EU as regards access to anti-money-laundering information by tax authorities, through the issue of the Legislative Decree 18 May 2018, no. 60.

As a consequence of the OECD project on "*Base erosion and Profit Shifting*" (BEPS), the EU DAC 6 Directive ("**DAC 6**") has been adopted on May 25, 2018 by the EU Council, amending Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. According to DAC 6, intermediaries and, in some circumstances, taxpayers are required to notify the competent tax authorities of each Member States any cross-border arrangements that have at least one of the so-called "hallmarks" designed by the EU legislator as "markers" of potential risk of international tax evasion or avoidance or circumvention of disclosure requirements on financial accounts (CRS).

On August 26, 2020, the Legislative Decree No. 100, July 30, 2020 (the "**DAC 6 Decree**"), implementing the said Directive, with disclosure obligations for intermediaries and taxpayers, was published. Italian Ministry of Finance issued a Ministerial Decree on November 20, 2020, clarifying certain criteria set by the Italian law that trigger the reporting obligations.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Estonia, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the OBG (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the OBG where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the OBG are advised to seek their own professional advice in relation to the FTT.

LUXEMBOURG TAXATION

The following overview 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 collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident 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 law currently in force no withholding tax is levied either on payments of principal, premium or interest made to non-residents OBG holders, or on accrued but unpaid interest In respect of OBG, no Luxembourg withholding tax is payable upon redemption or repurchase of OBG held by non-resident OBG holders.

Resident OBG holders

In accordance with the law of 23 December 2005, as amended (the "**Relibi Law**"), interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation

Non-resident OBG holders

Non-resident corporate OBG holders or non-resident individual OBG holders acting in the course of the management of a professional or business undertaking, who do not have a permanent establishment or permanent representative in Luxembourg to which such 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 OBG holder 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 OBG holder, acting in the course of the management of a professional or business undertaking. OBG holders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

An OBG holder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies), is neither subject to Luxembourg income tax in respect of interest accrued or received, redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the OBG.

A resident individual OBG holder, 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) a withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual OBG holder has opted for the application of a 20 per cent. (self-applied) tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State). A gain realised by an individual OBG holder, 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, unless the disposal of the OBG precedes the acquisition of the OBG or this sale or disposal took place less than six months after the OBG was acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if a withholding tax has been levied on such interest in accordance with the Relibi Law.

Net Wealth Taxation

A corporate OBG holder, 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 OBGs are attributable, is subject to Luxembourg net wealth tax on these OBG, except if the OBG holder is governed by (i) the law of 11 May 2007 on family estate management companies, as amended, (ii) the law of 17 December 2010 on undertakings for collective investment, as amended, (iii) the law of 13 February 2007 on specialised investment funds, as amended, (iv) the law of 22 March 2004 on securitisation, as amended, (v) the law of 15 June 2004 on venture capital vehicles, as amended, or (vi) the law of 23 July 2016 on reserved alternative investment funds.

An individual OBG holder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg wealth tax.

Further to the law dated 18 December 2015, Luxembourg levies a minimum net wealth tax for corporate taxpayers, which is due even if the net asset value of the corporate taxpayer is nil or negative. This minimum net wealth tax amounts to a EUR 4,815 flat rate for corporate taxpayers whose total assets amount to at least EUR 350,000 and at least 90% of the corporate taxpayer's assets are financial assets falling within the meaning of accounts 23, 41, 50 and 51 of the Luxembourg Plan Comptable Normalisé.

In all other cases, corporate taxpayers are subject to a minimum net wealth tax ranging from EUR 535 to EUR 32,100. All Luxembourg corporate taxpayers that are subject to net wealth tax are also subject to minimum net wealth tax.

Additionally, please note that securitization companies governed by the law of 22 March 2004 on securitization, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

Other Taxes

Neither the issuance nor the transfer of 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 or appended to a document that requires obligatory registration in Luxembourg.

Where a OBG holder 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.]

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, as amended from time to time, (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(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business.

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*.

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.

Each Dealer has agreed that, except as permitted by the Dealer Agreement and Subscription Agreement (if applicable), it will not offer or sell the OBG (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells OBG during the distribution compliance period 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. Terms used in this paragraph have the meanings given to them by Regulation S.

The OBG are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of OBG comprising any Tranche, an offer or sale of OBG within the United States by any Dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Final Terms in respect of any OBG specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 State except that it may make an offer of such OBG to the public in that Relevant State:

(a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the OBG referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of OBG to the public**" in relation to any OBG in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe the OBG and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom public offer selling restriction for prospectuses

If the Final Terms in respect of any OBG specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of OBG which are the subject of the offering contemplated by the Prospectus as completed by the relevant Final Terms in relation thereto to the public in the United Kingdom, except that the OBG may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of OBG referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of OBG to the public**" in relation to any OBG in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Prohibition of Sales to EEA Retail Investors

Unless the relevant Final Terms (or, as the case may be, Drawdown Prospectus) in respect of the Notes specifies the "Prohibition of sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG.

Prohibition of Sales to UK Retail Investors

Unless the relevant Final Terms in respect of the OBG specifies the "Prohibition of sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any OBG which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

(a) *No deposit taking*: in relation to any OBG having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any OBG other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the OBG would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the OBG in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the OBG Guarantor; and

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMAwith respect to anything done by it in relation to the OBG in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the OBG has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no OBG may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the OBG be distributed in the Republic of Italy, except in accordance with the exceptions provided

under the Prospectus Regulation and any Italian securities, tax and other applicable laws and regulations.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any OBG or distribute copies of this Prospectus and/or any other document relating to the Notes in the Republic of Italy except:

(a) to "qualified investors" as referred to in Article 2 of the Prospectus Regulation; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**"), Article 34-*ter* of the CONSOB Regulation No. 11971 of 14 May 1999, as amended and the applicable Italian laws.

In any event, any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (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. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**") and any other applicable laws and regulations; and

(b) in compliance with Article 129 of the Italian Banking Act, as amended, or any applicable implementing guidelines of the Bank of Italy, as amended from time to time; and

(c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB, the Bank of Italy and/or any other competent authority.

The Issuer and each Dealer acknowledges and accepts that in no event may the Notes be sold or transferred (at any time after the Issue Date) to persons other than "qualified investors", as referred to under the Prospectus Regulation.

Japan

The OBG have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law of Japan**") and, accordingly, each Dealer has represented and agreed that it has not directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any OBG in Japan or to, or for the benefit of, any Resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any Resident of Japan 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, "**Resident of Japan**" shall mean any 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 such offering material, in all cases at their own expense.

The Dealer Agreement provides that any of the restrictions relating to any specific jurisdiction (set out above) shall be deemed to be modified to the extent (if at all) 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 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 14 April 2021.

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 Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.). Banca Finanziaria Internazionale S.p.A. (formerly 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 the section headed "*Description of the Issuer – Legal and Arbitration Proceedings*" from page 167 to page 180 of this Prospectus and in the December 2020 Financial Statements from page 385 to page 392 none of the Issuer or the OBG Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings

(including any such proceedings which are pending or threatened of which the Issuer or the OBG Guarantor is aware) in the 12 months preceding the date of this document which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of the Issuer, the OBG Guarantor or the Group.

Significant or material adverse change

Material adverse change in the prospects of the Issuer and the Guarantor

The current market environment is still characterized by uncertainties due to the COVID-19 crisis, with potential effects also on the financial markets, the impact of which on the profitability of the Issuer, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Prospectus. Except for the possible impact of the COVID-19 crisis indicated above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2020.

There has been no material adverse change in the prospects of the OBG Guarantor since the date of its last published audited financial statements as at 31 December 2020.

Significant change in the financial performance of the Group

There has been no significant change in the financial performance of the Group since 31 March 2021 to the date of this Prospectus.

Significant change in the Group's financial position

The current market environment is still characterized by uncertainties due to the COVID-19 crisis, with potential effects also on the financial markets, the impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Prospectus. Except for the possible impact of the COVID-19 crisis indicated above, there has been no significant change in the financial position of the Group which has occurred since 31 March 2021.

Websites

The website of the Issuer and of the OBG Guarantor is *https://www.unicreditgroup.eu*. The information on *https://www.unicreditgroup.eu* does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus. Other than the information incorporated by reference, the content of the Issuer's abd OBG Guarantor's website has not been scrutinised or approved by the competent authority.

Any information contained in any other website specified in this Prospectus does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

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.

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

Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.

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 (including the OBG Guarantee);

(ii) Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof, also available at https://www.unicreditgroup.eu;

(iii) OBG Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof, also available at https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html;

(iv) Issuer's consolidated Interim Report as at 31 March 2021;

(v) 2020 Annual Report and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2020;

(vi) 2019 Annual Report and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2019;

(vii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2020;

(viii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2019;

(ix) a copy of this Prospectus together with any supplement thereto, if any, or further Prospectus, also available at https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html;

(x) any reports, letters, other documents, valuations and statements of experts included or referred to in the Prospectus (other than consent letters), also available at https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html;

(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, also available at https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html;

(xii) any document incorporated by reference.

The documents mentioned under (i) to (xii) (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 and at *https://www.unicreditgroup.eu*.

The Issuer's Sustainability Bond Framework, together with any opinion on each such framework issued by a second party consultant as well as any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green OBG, Social OBG and Sustainability OBG, from time to time published by the Issuer, will be available in the "Investors" section on the website of the Issuer at *https://www.unicreditgroup.eu*. For the avoidance of doubt, neither the Issuer's Sustainability Bond Framework nor any second party opinion or public reporting are incorporated in and/or form part of this Prospectus.

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.

Publication on the Internet

Without prejudice for what is stated under paragraph "*Documents available for inspections*" above, this Prospectus, any supplement thereto and, in respect of listed OBG only, the Final Terms will also be available on the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Auditors

Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") are the current auditors of the Issuer and the OBG Guarantor. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte audited and issued unqualified opinions on the consolidated and the company financial statements of the Issuer and on the financial statements of the OBG Guarantor for the years ended on 31 December 2019 and 31 December 2020.

Legal Entity Identifier

The Legal Entity Identifier code of the Issuer is 549300TRUWO2CD2G5692.

INDEX OF DEFINED TERMS

$ 7
"ABS" 73
"ACE" 75
"Banking Reform Package" 87
"Basel III" 87
"BRRD II" 87
"BRRD" 87
"CCB" 91
"CEE countries" 80
"CET1" 89
"COVID-19" 61
"CRA Regulations" 1
"CRD IV Directive" 87
"CRD IV Package" 87
"CRD V" 89
"CRR" 87
"Cura Italia Decree" 75
"DTAs" 74
"EBA" 89
"ECB" 65
"Eligible Green Projects" 235
"Eligible Social Projects" 235
"Eligible Sustainability Projects" 235
"ESAP" 150
"EUWA" 2
"FED" 66
"Fitch" 4
"FSMA" 2
"GBP" 112
"GDP" 80
"Green OBG" 112
"ICMA" 112
"Issuer's Sustainability Bond Framework" .. 235
"Law 214/2011" 74
"LCR" 76
"LTROs" 76
"MCR" 139
"MREL" 87
"NPE" 72
"NSFR" 76
"OECD" 80
"P2G" 91
"P2R" 89
"PEPP" 65
"Plan" 66
"S&P" 4
"SBG" 112
"SBP" 112
"Second-party Opinion" 113
"Social OBG" 112
"SREP" 88
"SSM" 88
"Strategic Objectives" 66
"Strategic Plan" 66

"Sustainability OBG" 112
"Team 23" 66
"TLAC" 87
"TLCF" 74
"TLTRO" 76
"TLTRO-III" 76
"UK CRA Regulation" 1, 340, 341, 342, 343, 344, 345
"UK MiFIR Product Governance Rules" 2
"UK PRIIPs Regulation" 2
"UK" 1
"Zaba" 171
€ 7
2015 Credit Agreement 108
2015 Reform 263
2019 Italian Credit Agreement 108
2020 OBG 2 Programme Prospectus 125
24 hours 311
30/360 276
30E/360 276
30E/360 (ISDA) 277
48 hours 311
ABS Portfolio 211
ABS Securities 29, 182, 256
ABS Securities Issuer 211
ABS Transcation 211
Account Bank 13, 272
Accounts 221
Accrual Yield 272
Actual/360 276
Actual/365 (Fixed) 276
Actual/Actual (ICMA) 275
Actual/Actual (ISDA) 276
Additional Business Centre(s) 272
Additional Calculation Agent 14, 272
Additional Financial Centre(s) 272
Additional Guarantee 238
Additional Seller 15
Adjusted Net Present Value of the Eligible Portfolio 211
Adjustment Spread 272
Administrative Service Provider 273
Administrative Services Agreement 12, 247, 273
Administrative Services Provider 12
Alternative Reference Rate 273
Amortisation Amount 217
Amortisation Test 273
Asset Management Option 350
Asset Management Tax 352
Asset Monitor 12, 207, 262, 273
Asset Monitor Agreement 58, 251, 273
Asset Monitor Report 273
Asset Percentage 216
Assets 29, 182, 256
Available Funds 42, 232
BA 132
Back-Up Servicer 247
Bank Austria 132
Banking Law 9, 273
Banking Reform Package 138

Bankruptcy Law 258
Basel III 138
BAWFM 168
Benchmark Event 273
billions 7
BLMIS 167
Block Voting Instruction 309
Blocked OBG 309
BMR 2
Board 159
Board of Directors 159
Board of Statutory Auditors 162
BoI OBG Regulations 270
BoI OBG Regulations 1
BRRD 136
BRRD II 137
Business Day 274
Business Day Convention 274
Calculation Agent 13, 275
Calculation Amount 275
Calculation Date 33
Capital Solutions 14
Capitalia 132
Capitalia Group 132
Cash Management and Agency Agreement ... 12, 58, 248, 275
Cash Manager 12, 275
CET1R 256
Chairman 309
CICR 106
Clawed Back Amounts 244, 279
Clearstream 275
Clearstream, Luxembourg 1
Code 269, 301
Collection Accounts 223
Collection Date 40, 231
Collection Period 40, 231
Collective Investment Fund Tax 352
Commercial Mortgage Loans 48, 183
Commingling Amount 217
Commission's Proposal 361
Companies 167
Condition 270
Conditions 20, 270, 331
Conditions to the Issue 25
CONSOB 1, 17, 275
Convention 109
CRD IV Directive 138
CRD IV Package 138
CRD V 138
Credito in Sofferenza 211
Criteria 48, 183
CRR 138
CRR II 138
CRRII 140
CSSF 1
Cura Italia Decree 143
Cure Notice 242
D1 ..... 276, 277
D2 ..... 276, 277

DAC 122
Date of Carve Out 238
Day Count Fraction 275
Dealer 1
Dealer Agreement 59, 252, 271, 365
Dealers 1, 271
Debtor 239
December 2019 Financial Statements 125
December 2020 Financial Statements 125
Decree 380 107
Decree 394 104
Decree 53/2015 255
Decree No. 239 ..... 300, 350
Decree No. 252 351
Decree No. 461 350
Decree No. 642 359
Decreto Milleproroghe 108
Deed of Pledge 59, 253, 277
Defaulted Receivables 211
Defaulted Security 211
Defendants 172
Definitive Purchase Price of the New Portflio 224
Deloitte 206, 374
Destinazione Italia Decree 103
distributor 2, 330
Divania 173
Due for Payment Date 243
Earliest Maturing OBG 211
Early Redemption Amount 277
Early Redemption Amount (Tax) 278
Early Redemption Date 278
ECB Addendum 140
EEA 1, 330
Eligible Institutions 51, 226
Eligible Investments 49
Eligible Investments Account 225
Eligible Portfolio 211
Eligible States 51
EMMI 2
ESMA 1
EU CRA Regulation 1
EU Savings Directive 122
euro 7
Euro 7
Eurobond Basis 276
Euroclear 1, 278
Eurodollar Convention 274
Evaluation Date 40, 231
Event of Default 309
Excess Proceeds 42, 232
Excluded Scheduled Interest Amounts . 244, 285
Excluded Scheduled Principal Amounts 244
Exclueded Scheduled Principal Amounts 286
Execution Date 48, 183
Expected Income 212
Expected Payments 212
Expenses 34, 227
Expenses Account 226
Extended Maturity Date 22, 278

Extension Determination Date 278
Extraordinary Resolution 278, 310
F&A 154
FATCA 301
Final Adhesion Term 109
Final Redemption Amount 22, 278
Final Terms 1, 20, 270
Financial Instruments and Exchange Law of Japan 369
Financial Services Act 1, 159
First Series 278
Fixed Coupon Amount 278
Floating Rate Convention 274
Following Business Day Convention 274
foreign passthru payments 122
FRN Convention 274
FTT 361
Fund 352
General Criteria 47, 182
Group 9
G-SIIs 138
GTB 155
Guaranteed Amounts 243, 278
Guarantees 239
Guarantor 2018 Financial Statements 125
Guarantor 2019 Financial Statements 125
Guarantor Acceleration Notice 33, 279
Guarantor Event of Default 32, 279, 303
Guarantor of a Receivable or Security 239
Guarantor Payment Date 33, 279
Holder 310
HVB 132
IA Determination Cut-off Date 293
IBA 2
IGAs 123
Indemnified Person 239
Independent Adviser 279
Initial Issue Date 226, 279
Initial Portfolio 10
Insolvency Event 279
Insurance Distribution Directive 1, 330
Integration 259
Integration Assets 50, 259
Integration Assignment 46, 236
Intercreditor Agreement 57, 247, 280
Interest 350
Interest Amount 280
Interest Available Funds 38, 230
Interest Collection Account 222
Interest Commencement Date 18, 280
Interest Determination Date 280
Intermediaries 351
Intermediary 351
Investor's Currency 120
Investors Report 249, 280
Investors Report Date 280
ISDA Definitions 280
Issuance Collateralisation Assignment ... 45, 236
Issue Date 17, 280
Issue Price 16, 280

Issuer 1, 9, 270
Issuer Determination Cut-off Date 293
Issuer Event of Default 30, 280, 302
Italfondiario 12
Italian Banking Act 135, 369
Italian Fund 352
Italian Real Estate SICAFs 351
Italy 7
Japanese Person 369
Law 126 109
Law 130 ..... 1, 10, 270
Law Decree 93 109
Law Decree No.351 353
Law No. 342 105
Liabilities 310
Limit to the Integration 212
Limit to the Integration 50
Limits to the Assignment 25
Liquidation Date 226
Liquidity Decree 145
Loan Agreement 217
Loan to Value Ratio 212
Ludoil 175
Luxembourg Listing Agent 15
M1 ..... 276, 277
M2 ..... 276, 277
Mandatory Test Cure Period 210
Mandatory Tests 52, 210, 280
March 2021 Financial Statements 125
Margin 281
Master Definition Agreement 254
Master Definitions Agreement 271
Master Transfer Agreement 10, 236, 281
Maturity Date 1, 22, 281
Maximum Redemption Amount 281
Meeting 310
MEF Decree 1, 255, 270
MiFID II 1, 330, 367
MiFID Product Governance Rules 2
Minimum Requirement for Own Funds and Eligible Liabilities 137
Modified Busines Day Convention 275
Modified Following Business Day Convention 275
Monte Titoli 1, 281
Monte Titoli Account Holder 310
Monte Titoli Account Holders 1, 281
Moody's 1, 15, 283
Mortgage Credit Directive 106
Mortgage Legislative Decree 106
Mortgage Receivables 28, 181, 256
Mortgages 239
MREL 137
NCP 175
Negative Carry Corrector 43, 212, 232
Negative Report 212, 281
New Portfolio 239
No Adjustment 275
Non-Eligible Underlying Assets 213
Non-Residential Mortgage Receivables 28, 181, 256

Notice to Pay 31, 281
OBG 1, 270
OBG Guarantee 56, 241, 255, 271
OBG Guarantor 1, 9, 270
OBG Holders 20, 281
OBG Interest Period 18, 281
OBG Payment Date 17, 281
OC Adjusted Eligible Portfolio 214
OC Calculation Date 52, 213
OC Cure Period 210
offer 367
Official Gazette 281
Official List 1
Optional Redemption Amount (Call) 281
Optional Redemption Amount (Put) 281
Optional Redemption Date (Call) 282
Optional Redemption Date (Put) 282
Ordinary Resolution 310
Organisation of the OBG Holders 282
Original Reference Rate 282
Originator 102
O-SIIs 138
Outstanding Principal Balance 213
Outstanding Principal Balance of the Eligible Portfolio 213
Outstanding Principal Balance of the OBG 213
Over-Collateralisation Test 214, 282
participating Member States 361
Pass-Through OBG 22, 282
Paying Agent 14, 282
Payment Account 224
Payment Business Day 282
Payments Report 248
Pension Fund Tax 352
Person 282
Place of Payment 282
Portfolio 29, 182, 283, 310
Portfolio Administration Agreement 58, 249, 283
Portfolio Manager 12
Post-Guarantor Event of Default Priority 45, 283
Post-Guarantor Events of Default Priority 234
Post-Issuer Event of Default Priority 42, 232, 283
Preceding Business Day Convention 275
Pre-Issuer Event of Default Interest Priority 36, 228, 283
Pre-Issuer Event of Default Principal Priority 38, 230, 283
Present Value 213
PRIIPs Regulation 1, 330
Principal Amount Outstanding 43
Principal Available Funds 39, 230
Principal Collection Account 223
Principal Financial Centre 283
Priority of Payments 45, 227, 234, 283
Privacy Law 245
Programme 1, 270
Programme Limit 16
Programme Resolution 310
Programme Suspension Period 26

Programme Termination Date 25
Prospectus 1, 331, 332
Prospectus Regulation 1, 330, 331
Provisional Purchase Price of the New Portfolio 40, 231
Proxy 310
Public Authority 172
Public Securities 28, 181, 256
Purchase Price Accumulation Amount ... 40, 231
Put Option Notice 283
Put Option Receipt 283
Quotaholders 205
Quotaholders' Agreement 59, 252, 283
Random Basis 213
Rate of Interest 283
Rating Agency 1, 15, 283, 310
Real Estate Funds 353
Real Estates 239
Receivables in Arrears 213
Reconciliation Date 52, 213
Redemption Amount 284
Reference Banks 284
Reference Price 284
Reference Rate 284
Refinance Date 54, 250
Regular Date 284
Regular Period 284
Regulation S 5
Relevant Clearing System 284
Relevant Clearing Systems 1
Relevant Date 284
relevant Dealer 1
Relevant Dealer(s) 284
Relevant Dealers 60, 253, 365
relevant Final Terms 271
Relevant Financial Centre 284
Relevant Nominating Body 285
Relevant Screen Page 285
Relevant Time 285
Relibi Law 362
Representative of the OBG Holders 15, 271
Required Redemption Amount 43, 213, 232
Reserve Account 223
Residential Mortgage Loans 48, 183
Residential Mortgage Receivables . 28, 181, 256
Resolutions 310
retail investor 367
Revolving Assignment 45, 236
Rules 309
Rules of the Organisation of the OBG Holders 271
SACE 145
Scheduled Due for Payment Date 244, 285
Scheduled Interest 244, 285
Scheduled Payment Date 244, 285
Scheduled Principal 244, 285
Secured Creditors 57
Securities 213
Securities Account 225
Securities Act 5

Selected Assets 214
Seller 10, 286
Series 19, 270
Series Reserved Matter 314
Servicer 11, 286
Servicer Termination Event 246
Servicing Agreement 11, 245, 286
Set-Off Amount 217
SFDR 149
SGRs 351
Shareholder 10
SIMs 351
Single Supervisory Mechanism 138
SIPA Trustee 167
Sole Arranger 11
Specific Criteria 48, 183
Specified Denomination(s) 286
Specified Office 286
Specified Period 286
SREP 140
SRM Regulation 136
SSM 138
Stabilising Manager(s) 6
Subordinated Loan 11, 55, 240
Subordinated Loan Agreement 10, 55, 240, 286
Subordinated Loan Interest Amount 56, 241
Subordinated Loan Provider 10, 286
Subscription Agreement 60, 271, 365
Subsidiary 286
Successor Reference Rate 286
Successor Servicer 97, 246
Suspension Period 303
SVM 10
Swap Rate 310
T1R 256
Target Expenses Amount 36, 226, 228
TARGET Settlement Day 286
Total Target Reserve Amount 36, 226, 228
Tranche 19, 270
Transaction Documents 286
Transaction Party 310
U.S. Dollar 7
UCB Austria 168
Underlying Assets 214
UniCredit 9, 203
UniCredit Bank 11
UniCredit Banking Group 9, 203
UniCredit Group 9
Unpaid Instalment 214
Usury Law 104
Usury Rates 104
VCA 172
Voter 310
Voting Certificate 310
Warranty and Indemnity Agreement 55, 239, 287
White List States 353
Written Resolution 311
Y1 ..... 276, 277
Y2 ..... 276, 277
Zero Coupon OBG 287

THE ISSUER, SERVICER, SELLER AND ACCOUNT BANK

UniCredit S.p.A.
Piazza Gae Aulenti, 3 Tower A
20154 Milan
Italy

REPRESENTATIVE OF THE OBG HOLDERS

Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.)
Via Vittorio 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 Guglielmo Marconi, 123
24020 Ranica (BG)
Italy

PAYING AGENT

BNP Paribas Securities Services, Milan Branch
Piazza Lina Bo Bardi, 3
20124 Milan
Italy

SOLE ARRANGER

UniCredit Bank AG, London Branch
Moor House
120 London Wall
London, EC2Y 5ET
United Kingdom

DEALER

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Federal Republic of Germany

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services, Luxembourg Branch
60, avenue J. F. Kennedy
L – 1855
Luxembourg

LEGAL ADVISER

Studio Legale Associato in association with Linklaters LLP
Via Broletto, 9
20121 – Milan
Italy