



***Crédit Agricole Italia S.p.A.***

*(incorporated with limited liability as a "Società per Azioni" under the laws of the Republic of Italy and registered at the Companies' Registry of Parma under registration number 02113530345)*

**Euro 16,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme**

**unconditionally and irrevocably guaranteed as to payments**

**of interest and principal by**

***Crédit Agricole Italia OBG S.r.l.***

*(incorporated as a limited liability company in the Republic of Italy and registered at the Companies' Registry of Milan under registration number. 07893100961)*

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

Under this Euro 16,000,000,000 covered bond programme (the "**Programme**"), Crédit Agricole Italia S.p.A. ("**Crédit Agricole Italia**" or the "**Issuer**") may from time to time issue *obbligazioni bancarie garantite* (the "**Covered Bonds**") denominated in any currency agreed between the Issuer and the relevant Dealer(s). The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed Euro 16,000,000,000 (or its equivalent in other currencies calculated as described herein). Crédit Agricole Italia OBG S.r.l. (the "**Guarantor**") has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee (the "**Covered Bond Guarantee**") which is collateralised by a pool of assets (the "**Cover Pool**") made up of a portfolio of mortgages assigned to the Guarantor by the Sellers and certain other assets held by the Guarantor, including funds generated by the portfolio and such assets, pursuant to Article 7-bis of Italian law No. 130 of 30 April 1999, as amended from time to time (the "**Securitisation and Covered Bond Law**") 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 "**Decree No. 310**") and the supervisory guidelines of the Bank of Italy set out in Part III, Chapter 3 of the "*Disposizioni di vigilanza per le banche*" (Circolare No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**Bank of Italy Regulations**"). Recourse against the Guarantor under the Covered Bond Guarantee is limited to the Cover Pool.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") in the Grand Duchy of Luxembourg, as a base prospectus for the purpose of article 8 of the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or the Guarantor or the quality of the Covered Bonds that are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investing in Covered Bonds.

Application has also been made for Covered Bonds issued under the Programme during the period of 12 (twelve) months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU. As referred to in Article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019, by approving this Base Prospectus the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the issuer.

This Base Prospectus is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

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

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

Each Series or Tranche may, on or after the relevant issue, be assigned a rating specified in the relevant Final Terms by any rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, to the extent that any of them at the relevant time provides ratings in respect of any Series of Covered Bonds. Whether or not each credit rating applied for in relation to relevant Series of Covered Bonds will be (1) issued by a credit rating agency established in the European Union 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 (2) issued by a credit rating agency established in the United Kingdom ("**UK**") and registered under Regulation (EC) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the EU CRA Regulation) unless (1) the rating is provided by a credit rating agency not established in the European Union but endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (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

EU CRA Regulation.

**A credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be revised or withdrawn by any or all of the Rating Agencies and each rating shall be evaluated independently of any other.**

The Covered Bonds 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 Covered Bonds 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)).

Interest amounts payable on Floating Rate Covered Bonds may be calculated by reference to EURIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute, as administrator of EURIBOR is included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the “**Benchmarks Regulation**”).

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

*Arranger for the  
Programme*

**Crédit Agricole Corporate  
& Investment Bank, Milan  
branch**

*Dealer for the Programme*

**Crédit Agricole Corporate  
& Investment Bank**

The date of this Base Prospectus is 2 March 2021.

## RESPONSIBILITY STATEMENTS

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

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

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

## NOTICE

This Base Prospectus is a Base Prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purposes of giving information which, according to the particular nature of the Covered Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the Guarantor and of the rights attaching to the Covered Bonds.

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

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

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

Third Party Information – Certain information and statistics presented in this Base Prospectus regarding markets and market share of the Issuer or the Crédit Agricole Italia Banking Group are either derived from, or are based on, internal data or publicly available data from external sources. In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources. No person has been authorised by the Issuer to give any information which is not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other

information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealer or any party to the Transaction Documents (as defined in the Conditions).

This Base Prospectus is valid for twelve months following its approval and it and any supplement hereto as well as any Final Terms filed within these twelve months reflects the status as of their respective dates of issue. The offering, sale or delivery of any Covered Bonds may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has undertaken with the Dealer to supplement this Base Prospectus or publish a new Base Prospectus if and when the information herein should become materially inaccurate or incomplete and has further agreed with the Dealer to furnish a supplement to the Base Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds and which arises or is noted between the time when this Base Prospectus has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, in respect of Covered Bonds issued on the basis of this Base Prospectus.

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

The Arranger and the Dealer have not verified the information contained in this Base Prospectus. None of the Dealer or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealer that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Dealer or the Arranger undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Crédit Agricole Italia Banking Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Dealer or the Arranger.

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

For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see section

*“Subscription and Sale”* of this Base Prospectus. In particular, the Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended. Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons.

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

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

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

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

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

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

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

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

**In connection with the issue of any Series under the Programme, the Dealer or the Dealers (if any) which is specified in the relevant Final Terms as the stabilising manager (the “Stabilising Manager”) or any person acting for the Stabilising Manager may over-allot any such Series or effect transactions with a view to supporting the market price such Series at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this and there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Covered**

**Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and 60 days after the date of the allotment of any such Series. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – Unless the Final Terms in respect of any Cover Bonds specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – Unless the Final Terms in respect of any Cover Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the

MIFID Product Governance Rules.

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the the UK MiFIR Product Governance Rules.



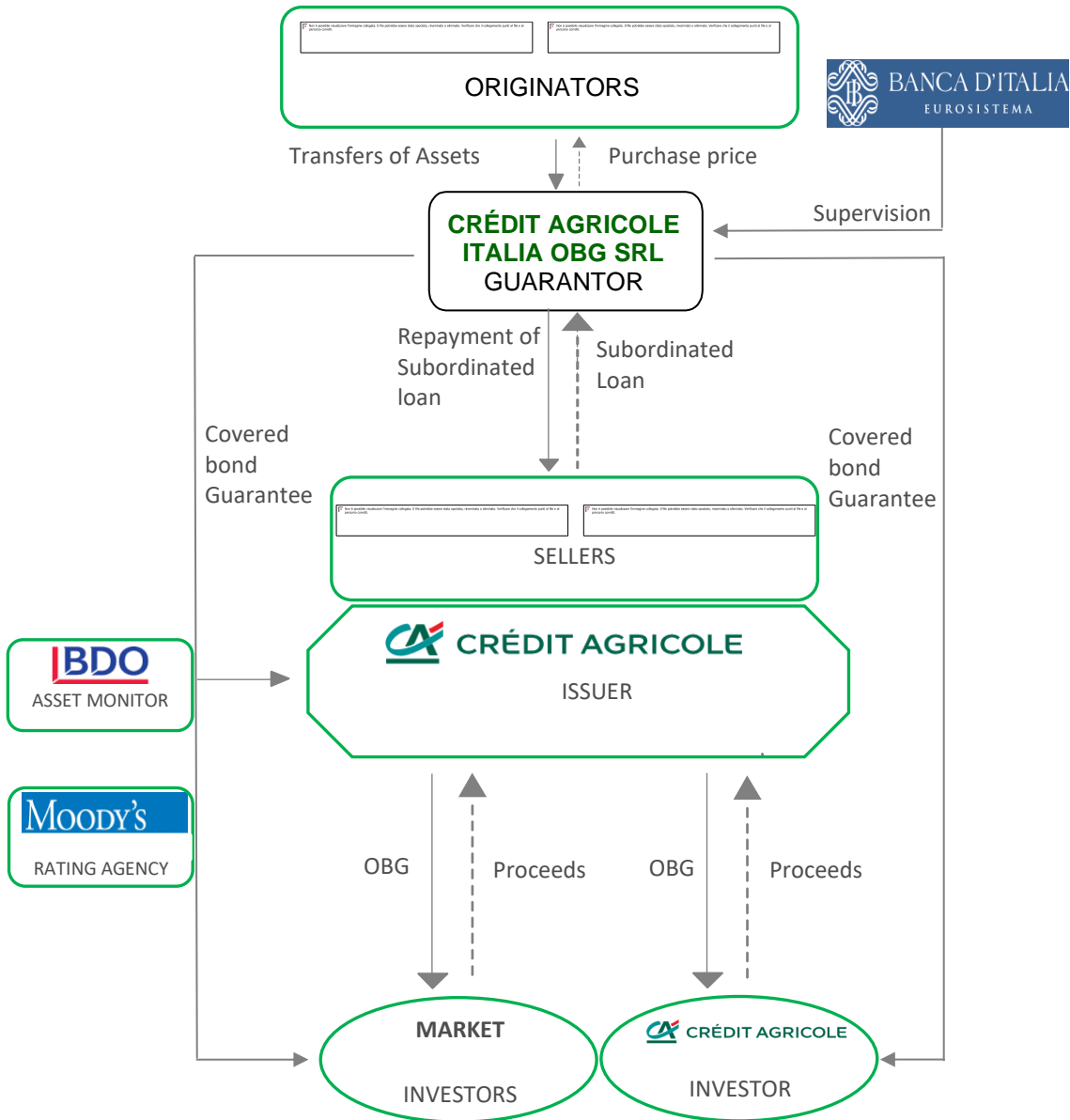
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## GENERAL DESCRIPTION OF THE PROGRAMME

*This section constitutes a general description of the structure relating to the Programme. The following section does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.*

### Structure Diagram



## PARTIES

<b>Issuer</b>	Crédit Agricole Italia S.p.A. (“ <b>Crédit Agricole Italia</b> ” or “ <b>CA Italia</b> ”), a bank incorporated in Italy as a joint stock company, having its registered office at via Università, 1, Parma 43121, Italy, registered with the Companies' Register of Parma under number 02113530345 and with the register of banks held by the Bank of Italy under number 5435, authorised to carry out business in Italy pursuant to the Consolidated Banking Act, parent company of Crédit Agricole Italia Banking Group registered with the register of banking groups held by the Bank of Italy under number 5435 and subject to direction and coordination of Crédit Agricole S.A..
<b>Issuer Legal Entity Identifier (“LEI”)</b>	8156007D348794DB1690
<b>Guarantor</b>	Crédit Agricole Italia OBG S.r.l., a special purpose entity incorporated under the laws of Italy pursuant to article 7-bis of the Securitisation and Covered Bond Law having its registered office at Via V. Betteloni n. 2, 20131, Milan, Italy, fiscal code 07893100961 and VAT number and enrolment with the companies register of Milan number 07893100961, being part of Crédit Agricole Italia Banking Group, having as its sole purpose the ownership of the Cover Pool and the granting of the Guarantee.
<b>Guarantor Legal Entity Identifier (“LEI”)</b>	8156002BC24AAEAA6D94
<b>Sellers</b>	Crédit Agricole Italia Crédit Agricole FriulAdria S.p.A (“ <b>Crédit Agricole FriulAdria</b> ” or “ <b>Friuladria</b> ” or “ <b>CA Friuladria</b> ”)
<b>Arranger</b>	Crédit Agricole Corporate & Investment Bank, Milan Branch, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, registered with the companies register of Nanterre ( <i>Registre Commerciale et des Sociétés de Nanterre</i> ) with No. SIREN 304 187 701, acting through its Milan branch with office at Piazza Cavour, 2, 20121 Milan, Italy, authorised in Italy pursuant to article 13 of the Banking Act and enrolled with the register of banks held by the Bank of Italy under number 5276 (“ <b>CACIB Milan</b> ”).
<b>Dealer(s)</b>	Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France with its registered offices at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex registered with the companies register of Nanterre ( <i>Registre</i>

*Commerciale et des Sociétés de Nanterre*) with No. SIREN 304 187 701 (“CACIB”) and any other dealer appointed from time to time in accordance with the Programme Agreement, which appointment may be for a specific Series of Covered Bonds issued or on an ongoing basis.

<b>Calculation Agent</b>	Pursuant to the terms of the Cash Allocation Management and Payments Agreement, CACIB Milan (or any other entity being appointed as such in the future) will act as Calculation Agent.
<b>Principal Paying Agent</b>	Pursuant to the terms of the Cash Allocation Management and Payments Agreement, (i) Crédit Agricole Italia (or any other entity being appointed as such in the future) will act as Principal Paying Agent until the delivery of an Issuer Default Notice, and (ii) CACIB Milan will act as Principal Paying Agent following the delivery of an Issuer Default Notice.
<b>Master Servicer</b>	Pursuant to the terms of the Master Servicing Agreement, Crédit Agricole Italia will act as Master Servicer.
<b>Sub-Servicer</b>	Crédit Agricole FriulAdria will act as Sub-Servicer under the Sub-Servicing Agreement.
<b>Representative of the Covered Bondholders</b>	Zenith Service S.p.A., as Representative of the Covered Bondholders, a company incorporated under the laws of Italy having its registered office at Via V. Betteloni n. 2, 20131 Milan, Italy, VAT number and enrolment with the companies register of Rome number 02200990980, enrolled under number 32819 with the register of financial intermediaries (“ <i>Albo Unico</i> ”) held by Bank of Italy pursuant to article 106 of the Consolidated Banking Act. The Representative of the Covered Bondholders will act as such pursuant to the Intercreditor Agreement, the Programme Agreement, the Conditions and the Mandate Agreement and the Deed of Charge, if any.
<b>Asset Monitor</b>	A reputable firm of independent accountants and auditors will be appointed as Asset Monitor pursuant to a mandate granted by the Issuer and the Asset Monitor Agreement. BDO Italia S.p.A., a company incorporated under the laws of the Republic of Italy, having its registered office at Viale Abruzzi 94, 20131, Milan, Italy, fiscal code and enrolment with the companies register of Milan no. 07722780967, is the asset monitor under the Programme. BDO Italia S.p.A. is included in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 167911.
<b>Asset Swap Providers</b>	Any counterparty of the Guarantor under any Asset Swap Agreement.

<b>Liability Swap Providers</b>	Any counterparty of the Guarantor under any Liability Swap Agreement.
<b>Account Bank</b>	Crédit Agricole Italia will act as Account Bank pursuant to the Cash Allocation Management and Payments Agreement.
<b>Guarantor Corporate Servicer</b>	Zenith Service S.p.A., a company incorporated under the laws of Italy, has been appointed as Guarantor Corporate Servicer pursuant to the Corporate Services Agreement.
<b>Listing Agent</b>	CACEIS Bank Luxembourg, whose registered offices is at 5 Allée Scheffer, L-2520 Luxembourg.

## THE PROGRAMME

<b>Programme description</b>	A covered bond issuance programme under which Covered Bonds ( <i>Obbligazioni Bancarie Garantite</i> ) will be issued by the Issuer to the Covered Bondholders.
<b>Programme size</b>	The aggregate nominal amount of the Covered Bonds at any time outstanding will not exceed Euro 16,000,000,000 (or its equivalent in other currencies to be calculated as described in the Programme Agreement). The Issuer may however increase the aggregate nominal amount of the Programme in accordance with the Programme Agreement.

## THE COVERED BONDS

<b>Form of Covered Bonds</b>	The Covered Bonds will be issued in dematerialised form or in any other form as set out in the relevant Final Terms. The Covered Bonds issued in dematerialised form are held on behalf of their ultimate owners by Monte Titoli for the account of Monte Titoli account holders. Monte Titoli will act as depository for Euroclear and Clearstream. The Covered Bonds issued in dematerialised form will at all times be in book entry form and title to the Covered Bonds will be evidenced by book entries, in accordance with the provisions of Article 83-bis of the Financial Law Consolidated Act and with the Rules governing central depositories, settlement services, guarantee systems and related management companies (adopted by the Bank of Italy and the CONSOB on 13 August 2018) as subsequently amended. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form.
<b>Denomination of Covered Bonds</b>	The Covered Bonds will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the Economic Area in circumstances which require the publication of a base

prospectus under the Prospectus Regulation will be Euro 100,000 (or where the relevant Tranche is denominated in a currency other than Euro, the equivalent amount in such other currency).

**Status of the Covered Bonds**

The Covered Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer guaranteed by the Guarantor and will rank *pari passu* without 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 winding-up, liquidation, dissolution or bankruptcy of the Issuer, any funds realised and payable to the Covered Bondholders will be collected by the Guarantor in accordance with the Securitisation and Covered Bond Law.

**Specified Currency**

Subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Representative of the Covered Bondholders (as set out in the applicable Final Terms).

**Maturities**

The Covered Bonds will have such Maturity Date as may be agreed between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by any relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Redemption**

The applicable Final Terms relating to each Series of Covered Bonds will indicate either (a) that the Covered Bonds of such Series of Covered Bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or if it becomes unlawful for any Covered Bond to remain outstanding or following an Issuer Event of Default or Guarantor Event of Default), (b) that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders on a date or dates specified prior to the specified Maturity Date and at a price and on other terms as may be agreed between the Issuer and the Dealer(s) as set out in the applicable Final Terms provided that the Final Redemption Amount means, in respect of any Series of Covered Bonds, the principal amount of such Series or (c) that such Covered Bonds will be redeemable at the option of the Covered Bondholders, as provided in Condition 7 (*Redemption and Purchase*), letter (f) (*Redemption at the option of Covered Bondholders*) and in the applicable Final Terms.

**Extended Maturity Date**

The applicable Final Terms relating to each Series of Covered Bonds issued may indicate that the Guarantor's obligations under the Covered Bond Guarantee to pay Guaranteed Amounts equal to the Final Redemption Amount of the applicable Series of Covered Bonds on their Maturity Date may be deferred until the Extended Maturity Date. The

deferral will occur automatically if the Issuer fails to pay the Final Redemption Amount on the Maturity Date for such Series of Covered Bonds and if the Guarantor does not pay the final redemption amount in respect of the relevant Series of Covered Bonds (for example, because the Guarantor has insufficient funds) by the Extension Determination Date. Interest will continue to accrue and be payable on the unpaid amount up to the Extended Maturity Date. If the duration of the Covered Bond is extended, the Extended Maturity Date shall be the date indicated in the Final terms falling not less than one calendar year after the relevant Maturity Date.

For further details, see Condition 7(b) (*Extension of maturity*).

## Tests

The Programme provides that the assets of the Guarantor are subject to the statutory tests provided for under Article 3 of Decree No. 310 (the "**Statutory Tests**"), which are intended to ensure that the Guarantor can meet its obligations under the Covered Bond Guarantee. Accordingly, for so long as Covered Bonds remain outstanding, the Seller and the Issuer must always ensure that the following tests are satisfied on each Calculation Date:

- (i) the Nominal Value Test;
- (ii) the Net Present Value Test; and
- (iii) the Interest Coverage Test.

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

## Asset Monitor

Pursuant to an engagement letter the Issuer will appoint the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia*, (i) the fulfilment with the eligibility criteria set out under Decree No. 310 with respect to the Assets included in the Portfolios; (ii)

the compliance with the issuing criteria set out in the Bank of Italy Regulations in respect of the issuance of covered bonds; (iii) the compliance with the limits on the transfer of Assets set out under Decree No. 310 and the Bank of Italy Regulations; (iv) the effectiveness and adequacy of the risk protection provided by any swap agreement entered into in the context of the Programme; (v) the arithmetical accuracy of the calculations performed by the Calculation Agent in respect of the Mandatory Tests and the compliance with the limits set out in Decree No. 310 and (vi) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of CRR. Furthermore, under the terms of the Asset Monitor Agreement to be entered into by the Issuer, the Calculation Agent, the Asset Monitor, the Guarantor and the Representative of the Covered Bondholders, the Asset Monitor has agreed with the Issuer and, upon delivery of an Issuer Default Notice, with the Guarantor, to verify, subject to due receipt of the information to be provided by the Calculation Agent to the Asset Monitor, the arithmetic accuracy of the calculations performed by the Calculation Agent under the Statutory Tests and the Amortisation Test carried out pursuant to the Cover Pool Management Agreement, with a view to confirming whether such calculations are accurate.

**Issue Price**

Covered Bonds may be issued at par or at a premium or discount to par on a fully-paid.

**Interest**

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

**Fixed Rate Covered Bonds**

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

**Floating Rate Covered Bonds**

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

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency



governed by an agreement incorporating the ISDA Definitions;  
or

- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),

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

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

#### **Taxation**

All payments in relation to Covered Bonds will be made without tax deduction except where required by law. If any tax deduction is made, the Issuer shall be required to pay additional amounts in respect of the amounts so deducted or withheld, subject to a number of exceptions including deductions on account of Italian substitute tax pursuant to Decree No. 239.

Under the Covered Bond Guarantee, the Guarantor will not be liable to pay any such additional amounts.

For further detail, see Condition 9 (*Taxation*).

#### **Issuer cross default**

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

For further detail, see Condition 10 (a) (*Issuer Events of Default*).

#### **Listing and admission to trading**

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

#### **Governing Law**

The Covered Bonds and any non-contractual obligations arising out of, or in connection, thereof will be governed by Italian law. The Transaction Documents and any non-contractual obligations arising

out of, or in connection, thereof will be governed by Italian law, except for the Swap Agreements and Deed of Charge, if any, which will be governed by English law.

## THE GUARANTOR AND THE COVERED BOND GUARANTEE

### Covered Bond Guarantee

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

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

For further detail, see "*Overview of the Transaction Documents – Covered Bond Guarantee*".

### Suspension of Payments

If a resolution pursuant to Article 74 of the Consolidated Banking Act is passed in respect of the Issuer (the "**Article 74 Event**"), the Guarantor, in accordance with Decree No. 310, shall be responsible for the payments of the Guaranteed Amounts due and payable within the entire period in which the suspension continues (the "**Suspension Period**").

Following an Article 74 Event:

- (i) the Representative of the Covered Bondholders will serve an Issuer Default Notice on the Issuer and the Guarantor, specifying that an Article 74 Event has occurred and that such event may be temporary; and
- (ii) in accordance with Decree No. 310, the Guarantor shall be responsible for payment of the amounts due and payable under the Covered Bonds during the Suspension Period at their relevant due dates, *provided that* it shall be entitled to claim any such amounts from the Issuer.

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

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

#### Issuer Events of Default

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

- (i) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series of Covered Bonds at their relevant Interest Payment Date and such breach is not remedied within the next 15 Business Days, in case of amounts of interest, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (ii) *Breach of other obligation*: a material breach of any obligation under the Transaction Documents by the Issuer occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (iii) *Cross-default*: any of the events described in paragraphs (i) to (ii) above occurs in respect of any other Series of Covered Bonds; or
- (iv) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (v) *Article 74 resolution*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (vi) *Cessation of business*: the Issuer ceases to carry on its primary business; or
- (vii) *Breach of Tests*: the Tests are breached and are not remedied within the Test Grace Period;

then the Representative of the Covered Bondholders shall serve an Issuer Default Notice on the Issuer and the Guarantor demanding payment under the Covered Bond Guarantee, and specifying, in case of the Issuer Event of Default referred to under item (v) (*Article 74 resolution*) above, that the Issuer Event of Default may be temporary.

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

- (i) *No further Series of Covered Bonds*: the Issuer may not issue any further Series of Covered Bonds;
- (ii) *Covered Bond Guarantee*:
  - (a) interest and principal falling due on the Covered Bonds

will be payable by the Guarantor at the time and in the manner provided under the Conditions, subject to and in accordance with the terms of the Covered Bond Guarantee and the Priority of Payments;

- (b) the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercréditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Covered Bond Guarantee;
- (c) if (i) the right of the Guarantor under letter (b) above is in any way challenged or revoked and (ii) a Programme Resolution of the Covered Bondholders has been passed to this effect, the Covered Bonds will become immediately due and payable by the Issuer, at their Early Termination Amount together with accrued interest thereon and the Guarantor will no longer be entitled to request from the Issuer the amount set out under letter (b) above;

- (iii) *Disposal of Assets*: the Guarantor shall sell the Eligible Assets and Top-Up Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement,

*provided that*, in case of the Issuer Event of Default referred to under item (v) (*Article 74 resolution*) above, the effects listed in items (i) (*No further Series of Covered Bonds*), (ii) (*Covered Bond Guarantee*) and (iii) (*Disposal of Assets*) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Consolidated Banking Act will be in force and effect (the "**Suspension Period**"). Accordingly (A) the Guarantor, in accordance with Decree No. 310, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the Covered Bonds.

For further detail, see Condition 10 (a) (*Issuer Events of Default*).

#### **Guarantor Events of Default**

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

- (i) *Non-payment*: following delivery of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of

amounts of principal, as the case may be; or

- (ii) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or
- (iii) *Breach of other obligation*: a material breach of any obligation under the Transaction Documents by the Guarantor occurs (other than payment obligations referred to in letter (i) above) which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor; or
- (iv) *Breach of Amortisation Test*: following the service of an Issuer Default Notice (provided that, in case the Issuer Event of Default consists of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 event Cure Notice), the Amortisation Test is breached and is not remedied within the Test Grace Period; or
- (v) *Invalidity of the Covered Bond Guarantee*: the Covered Bond Guarantee is not in full force and effect or it is claimed by the Guarantor not to be in full force and effect,

then the Representative of the Covered Bondholders shall or, in the case of the Guarantor Event of Default under letter (iii) (*Breach of other obligation*) above shall, if so directed by a Programme Resolution, serve a Guarantor Default Notice on the Guarantor.

Upon service of a Guarantor Default Notice upon the Guarantor:

- (i) *Acceleration of Covered Bonds*: the Covered Bonds shall become immediately due and payable at their Early Termination Amount together, if appropriate, with any accrued interest;
- (ii) *Covered Bond Guarantee*: subject to and in accordance with the terms of the Covered Bond Guarantee, the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 9(a) (*Gross-up by the Issuer*)) in accordance with the Priority of Payments;
- (iii) *Disposal of assets*: the Guarantor shall immediately sell all assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement; and
- (iv) *Enforcement*: the Representative of the Covered Bondholders may, at its discretion and without further notice subject to having been indemnified and/or secured to its satisfaction, take such steps and/or institute such proceedings against the Issuer

or the Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a Programme Resolution of the Covered Bondholders.

#### **Guarantor Available Funds**

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

- apply Interest Available Funds to pay interest due on the Term Loans, but only after payment of certain items ranking higher in the Pre-Issuer Event of Default Interest Priority of Payments (including, but not limited to, the Release Reserve Amount to be credited to the Reserve Fund Account). For further details of the Pre-Issuer Event of Default Interest Priority of Payments, see "*Cashflows and Priorities*" below; and
- apply Principal Available Funds towards (subject to compliance with the Tests and, in relation to the relevant Seller, of the Relevant Portfolio Test) repaying Term Loans but only after payment of certain items ranking higher in the relevant Pre-Issuer Event of Default Principal Priority of Payments. For further details of the Pre-Issuer Event of Default Principal Priority of Payments, see "*Cashflows and Priorities*" below.

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

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

**Cover Pool**

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

For further detail, see "*Description of the Cover Pool*".

**Limited recourse**

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

**Term Loans**

The Sellers have granted, or shall grant, to the Guarantor a Term Loan for the purpose of funding the purchase from the relevant Seller of the Eligible Assets included in the initial Cover Pool. Subsequently, each Seller will grant further Term Loans to the Guarantor for the purposes of funding the purchase from the relevant Seller of Eligible Assets and Top-Up Assets in order to remedy a breach of the Tests or to support further issues of Covered Bonds. The Guarantor will pay interest in respect of each Term Loan but will have no liability to gross up for withholding. Payments from the Guarantor to the Sellers under the Term Loans will be limited recourse and subordinated and paid in accordance with the Priorities of Payments to the extent the Guarantor has sufficient Guarantor Available Fund.

For further detail, see "*Overview of the Transaction Documents – Subordinated Loan Agreement*".

**Eligible Assets and support for further issues**

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

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

The Covered Bonds benefit from the provisions of Article 7–*bis* of the Securitisation and Covered Bond Law, pursuant to which the Cover Pool

is segregated by operation of law from the Guarantor's other assets.

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

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

**Cross–collateralisation**

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

**Claim under Covered Bonds**

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

**Guarantor cross–default**

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

For further detail, see Condition 10 (c) (*Guarantor Events of Default*).

**Disposal of assets included in the Cover Pool**

After the service of an Issuer Default Notice on the Issuer and the Guarantor, the Guarantor will be obliged to sell Eligible Assets in the Cover Pool in accordance with the Cover Pool Management Agreement, subject to pre–emption and other rights of the Sellers in respect of the Eligible Assets pursuant to the relevant Master Loans Purchase Agreement. The proceeds from any such sale will be applied as set out in the applicable Priority of Payments.

For further detail, see Condition 10(c) (*Guarantor Events of Default*).

**SALE AND DISTRIBUTION**

**Distribution**

Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non–syndicated basis,



subject to the restrictions to be set forth in the Programme Agreement.

#### **Certain restrictions**

Each Series of Covered Bonds issued will be denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply and will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. There are restrictions on the offer, sale and transfer of Covered Bonds in the United States, the European Economic Area (including the United Kingdom and the Republic of Italy) and Japan. Other restrictions may apply in connection with the offering and sale of a particular Series of Covered Bonds, see "*Subscription and Sale*" below.

## RISK FACTORS

*This section describes the principal risk factors associated with an investment in the Covered Bonds and includes disclosure of all material risks in respect of the Covered Bonds. Prospective purchasers of Covered Bonds should consider carefully all the information contained in this document, including the considerations set out below, before making any investment decision. All of these factors are contingencies which may or may not occur. In addition, factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below. Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Covered Bonds issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on the information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.*

### 1. FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE COVERED BOND

*The risks below have been classified into the following categories:*

*Risks relating to the Issuer's financial position;*

*Risks relating to the Issuer's business activity and industry;*

*Risks related to the internal control of the Issuer; and*

*Risks related to the political, environmental, social and governance environment of the issuer.*

#### **Risks relating to the Issuer's financial position**

##### ***Liquidity risk***

The Issuer's primary sources of funding are customer deposits and wholesale funding. Customer deposits are currently the main funding source of the Issuer. The amount of such deposits can be volatile and future amounts cannot be predicted with complete certainty. During the COVID-19 crisis, customer deposits have increased, while additional outflow has not been observed. The amount of customer deposits continues to be higher than the amount of mortgage loans on the Issuer's balance sheet also in the period following the outbreak of COVID-19. However, it cannot be ruled out that if the Issuer's customers would start to withdraw their deposits or the number of customers and/or the amount of new deposits decreases, whereas the amount of mortgage loans remains stable, or if the customers' default rate under the mortgages would increase, it will likely limit the Issuer's possibilities to continue its lending business unless it attracts alternative funds. Additionally, the amount of these deposits is sensitive to the savings rates the Issuer pays. Therefore, there is a certain dependency on wholesale funding in the money markets and capital markets including the use of securitisation of the mortgage loan portfolio and the issuance of covered bonds.

The Crédit Agricole Italia Banking Group has adopted a policy for the management of short-term liquidity (operating liquidity), *i.e.* the management of events impacting on the Issuer's and the Crédit Agricole Italia Banking Group's liquidity position over a time horizon ranging between over-night and 12 months, which has

the primary purpose to sustain the Crédit Agricole Italia Banking Group's ability to meet ordinary and extraordinary payment obligations and minimize the associated expenses. Preliminary to this policy for operating liquidity management is the definition of a short-term refinancing limit, calibrated using a method designed for ensuring a liquidity surplus over a one-year time horizon in a situation of market stress. This limit sets the short-term refinancing structure imposing a "non-concentration" on shorter maturities.

More in general, the Crédit Agricole Italia Banking Group implements the policy of essentially balancing funding and lending. In the light of the recent, lasting tensions in the capital markets, the Crédit Agricole Italia Banking Group set up liquidity reserves to be used in order to cope with any stress periods in accessing the regular funding sources.

The Issuer believes that the policies adopted and the controls implemented by the Crédit Agricole Italia Banking Group are adequate to keep liquidity risk under control. However, as at the date of the approval of this Base Prospectus, it cannot be ruled out that unknown and unexpected events occur which could negatively affect the Group's ability to meet its financial obligations.

For more information, both qualitative, on general aspects, processes and measurement of liquidity risk, and quantitative, please make reference to Part E of the Notes to the Consolidated Financial Statements of the Issuer for the year ended as at 31 December 2019, incorporated by reference to this Base Prospectus.

#### ***Risks associated with the Issuer's rating***

The risk associated with the ability of the Issuer to meet its obligations, generated by the issue of debt instruments and money market instruments, is defined by reference to credit ratings assigned by independent rating agencies. A rating may be suspended, lowered or withdrawn at any time by the rating agency by which it has been assigned. Suspension, lowering or withdrawal of an assigned rating can negatively affect the market price of the bonds issued. A downgrade of any of the Issuer's ratings would result in higher funding and refinancing costs for the Issuer in the capital markets. Such downgrade may also affect or effectively limit access to the capital markets, because investing in the Issuer will in such case likely be considered less attractive (also because of the Issuer's possible reputational damage) and/or will no longer be allowed for certain investors. In addition, a downgrade of any of the Issuer's ratings may limit its opportunities to operate in certain business areas. For example, the Issuer may hedge its positions in the derivatives market to manage its trading or investment risks in this market, also in relation to issuances under this Programme. When rating triggers are present, a decline in the rating of the Issuer below a certain level can alter the obligations of parties to an agreement, such as providing a counterparty to a derivatives contract with the right to demand collateral or lenders the right to demand repayment of a loan. Additionally, a lower rating may result in the Issuer having to post (additional) collateral, counterparties being unwilling to trade with the Issuer and/or a credit rating event being triggered which could potentially result in trades being terminated early.

#### **Risks relating to the Issuer's business activity and industry**

##### ***Credit Risk***

The Issuer is exposed to general credit risks including, for example, the risk that third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include customers (such as borrowers under loans granted, including without limitation, to mortgage loans), the issuers whose securities are being held by an entity within the Issuer's group, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer or its group companies

due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons and could have an adverse effect on the Issuer's business, financial position and results of operations. As a consequence of any such defaulting parties the adequacy of the Issuer's credit provisions included in its agreements entered into by or in respect of such parties may be impacted. These provisions relate to the possibility that a counterparty may default on its obligations to the Issuer which arise from lending or other financial transactions. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the Issuer to determine its credit provisions, these provisions could be inadequate.

Even though lending is the core business of the Crédit Agricole Italia Banking Group, it is performed with the objective to achieve a controlled growth of lending throughout the country by means of a risk-taking strategy focused on the most attractive geographic areas, customer segments and sectors of economic activity.

This strategy, which is agreed on with the Controlling Company, Crédit Agricole S.A., consists of identifying risk ceilings that can be taken with lending (sector and individual concentration risk limits, etc.) and ensuring that they are consistent with the Group's budget targets and business plan. Improvement of credit quality is pursued by means of constant monitoring of the loan portfolio, assessing compliance with the risk strategy agreed on, with a focus on major risk exposures.

The Issuer believes that the policies adopted by the Crédit Agricole Italia Banking Group can adequately keep credit risk under control; however, as at the date of approval of this Base Prospectus, it cannot be ruled out that unknown and unexpected events occur, which could negatively affect customers' ability to meet their contractual obligations thus generating negative effects on the Issuer's or the Group's financial soundness and outlook.

For more information, both qualitative, on general aspects, processes and measurement of credit risk, and quantitative, please make reference to the Directors' Reports accompanying the Consolidated Financial Statements and the Separate Financial Statements and Part E of the Notes to the Consolidated Financial Statements of the Issuer for the year closed as at 31 December 2019, incorporated by reference to this Base Prospectus.

### ***Operational risk***

The operational risks that the Issuer faces include the possibility of inadequate or failed internal or external processes or systems, inadequate or failed outsourcing of processes, services or activities, human error, regulatory breaches, employee misconduct. The occurrence of any such event may result in financial loss and may harm the reputation of the Issuer. Inability to retain and attract key personnel could adversely affect its operations and results. The Issuer relies heavily on its operational processes, and communication and information systems in particular to conduct its business. The business operations of the Issuer are also vulnerable to interruption from external factors such as fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. Even with the back-up recovery systems and contingency plans that are in place, The Issuer cannot ensure that interruptions, failures or breaches of its communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed. Finally, cybercrime risk is also a relevant and ongoing threat that may lead to an interruption of services to customers, loss of confidential information or erosion of trust and reputation. The above may also apply for third parties on which the Issuer depends.

The occurrence of one or more of said risks may have significant negative effects on the business, the operational results and the economic and financial situation of the Bank.

To consolidate and enhance control of operational risk, the Crédit Agricole Italia Banking Group, of which the

Issuer is part, has pursued: (i) constant compliance with the requirements set by legislation for the use of TSA (Traditional Standardised Approach) for the calculation of the supervisory capital; and (ii) monitoring of risks and losses such as to allow for a management approach, especially in terms of mitigation measures.

The Issuer believes that the policies adopted and the controls implemented by the Crédit Agricole Italia Banking Group are adequate to keep operational risk under control. However, as at the date of the approval of this Base Prospectus, it cannot be ruled out that unknown and unexpected events occur, such as damage or malfunctioning caused by extraordinary events, which could negatively affect operation of the systems designed for operational risk control, thus generating negative effects on the Issuer's financial position and performance.

For more information, both qualitative, on general aspects, management processes and approaches for the measurement of operational risk, and quantitative, please see Part E of the Notes to the Consolidated Financial Statements of the Issuer for the year ended as at 31 December 2019, referred to in this Base Prospectus, incorporated by reference to this Base Prospectus.

### **Risks related to the internal control of the Issuer**

#### ***Risks relating to information technology systems***

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

Among the risks that the Issuers face relating to the management of IT systems are the possible violations of their systems due to unauthorized access to the Crédit Agricole Italia Banking Group's corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the internet. Like attempted hacking, such violations have become more frequent over the years throughout the world. Both the aggregation of new services for members and clients and the exposure of online services are becoming increasingly complex and gradually extending to more and more areas and products. In addition, the authors of cyber threats are using increasingly sophisticated methods and strategies for criminal purposes.

Cyber attacks can therefore threaten the protection of information relating to the Issuer and its customers and can have negative effects on the integrity of the Issuer's IT systems, as well as on the confidence of its customers and on the Crédit Agricole Italia Banking Group's reputation, with possible negative effects on the Crédit Agricole Italia Banking Group's business, results of operations or financial condition.

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

There are possible risks with regard to the reliability of IT systems (disaster recovery), the quality and integrity 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 Crédit Agricole Italia Banking Group's operations, as well as on the Crédit Agricole Italia Banking Group's capital and financial position.

## **Risks related to the political, environmental, social and governance environment of the Issuer**

### ***Risks related to a downgrade of the sovereign credit rating***

Any further downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur may severely destabilise the markets and have a material adverse effect on the Crédit Agricole Italia Banking Group's operating results, financial condition, prospects as well as on the marketability of the Covered Bonds. This might also impact on the Crédit Agricole Italia Banking Group's credit ratings, borrowing costs and access to liquidity. A further downgrade of the Italian sovereign credit rating or the perception that such a downgrade may occur would be likely to have a material effect in depressing consumer confidence, restricting the availability, and increasing the cost, of funding for individuals and companies, depressing economic activity, increasing unemployment, reducing asset prices and consequently increasing the risk of a "double dip" recession. These risks are exacerbated by concerns over the levels of the public debt of, and the weakness of the economies in, Ireland, Greece, Portugal, Italy and Spain in particular and concerns regarding the overall stability of the euro. Further instability within these countries or other countries within the Eurozone might lead to contagion.

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

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

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

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

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

### ***Risks related to the impact of COVID -19***

The outbreak during the first half of 2020 of coronavirus disease (COVID-19) was declared as a pandemic by the World Health Organization, and the Health and Human Services Secretary declared a public health emergency in the United States in response to the outbreak; likewise, the Italian Government also declared a state of emergency and passed a number of emergency measures to deal with the outbreak, including restrictions on travel, people free circulation and possible institutional closure, and continued during the second half of 2020 and the beginning of 2021 with "second wave" and "third wave" restrictions. This outbreak (and any future outbreaks) of has led (and may continue to lead) to disruptions in the economies of those nations where the COVID-19 has arisen and may in the future arise, among which Italy, and may result in

adverse impacts on the global economy in general.

These circumstances have led to volatility in the capital markets, which may lead to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Covered Bonds. The potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. If the spread of COVID-19 persists for a significant period of time, or other measures are put in place, this could have a materially negative impact on the global economy.

Moreover, the outbreak of COVID-19 and the measures taken in relation thereto, will directly or indirectly result in increases of defaults under mortgage loans. Payment holidays have been granted and could be granted in the future pursuant to emergency legislation to borrowers in distress due to the COVID-19 outbreak, under which borrowers are allowed to defer making payments for certain amounts of time. This may result in payment disruptions and possibly higher losses under the mortgage loans. The impact will strongly depend on the duration and severity of the COVID-19 outbreak.

The Issuer may have to incur significant costs to store or mitigate the effects of the foregoing. The Issuer's prospects, financial condition and results of operations in particular may be materially affected by the above factors, events and developments. Investors should note the risk that the virus, or any governmental or societal response to the virus, may affect the business activities and financial results of the Crédit Agricole Italia Banking Group or may impact the functioning of the financial system(s) needed to make regular and timely payments under the Receivables, and therefore the ability of the Issuer to make payments on the Covered Bonds.

## **2. RISKS RELATED TO THE COVERED BONDS**

*The risks below have been classified into the following categories:*

*Risks related to the Covered Bonds generally;*

*Risks related to the Guarantor;*

*Risks related to the underlying; and*

*Risks related to the market generally.*

### **Risks related to the Covered Bonds generally**

#### ***Issuer liable to make payments when due on the Covered Bonds***

The Issuer is liable to make payments when due on the Covered Bonds issued or to be issued under this Programme. The obligations of the Issuer under such Covered Bonds are direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and equally with its other direct, unsecured, unconditional and unsubordinated obligations. Consequently, any claim directly against the Issuer in respect of the Covered Bonds will not benefit from any security or other preferential arrangement granted by the Issuer. An investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the payment made under relevant Covered Bonds. This may lead to losses under the Covered Bonds.

#### ***Obligations under the Covered Bonds***

The Covered Bonds will not represent an obligation or be the responsibility of or guaranteed by (other than pursuant to the Guarantee) any of the Arranger, the Dealers, the Representative of the Covered Bondholders or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and the Guarantor. The Issuer and the Guarantor will be liable solely in their corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators; no other person in whatever capacity, will accept any liability whatsoever to Covered Bondholders in respect of any failure by the Issuer and/or the Guarantor to pay any amounts due under the Covered Bonds. An investment in the Covered Bonds involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the payment made under relevant Covered Bonds. This may lead to losses under the Covered Bonds.

***Extraordinary Resolutions and the Representative of the Covered Bondholders***

A meeting of Covered Bondholders may also be called to consider matters which affect the rights and interests of Covered Bondholders. These include (but are not limited to): instructing the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee against the Issuer and/or the Guarantor; waiving an Issuer Event of Default or a Guarantor Event of Default; cancelling, reducing or otherwise varying interest payments or repayment of principal or rescheduling payment dates; altering the priority of payments of interest and principal on the Covered Bonds; and any other amendments to the Transactions Documents. A Programme Resolution will bind all Covered Bondholders, irrespective of the effect upon them, including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority. Covered Bondholders are therefore exposed to the risk that decisions are taken at Programme level which may be against the interest of such Covered Bondholder and this may have an adverse effect on the (conditions and/or value of) the Covered Bonds. No Resolution, other than a Programme Resolution, passed by the holders of one Series of Covered Bonds will be effective in respect of another Series unless it is sanctioned by an Ordinary Resolution or an Extraordinary Resolution, as the case may require, of the holders of that other Series. Any Resolution passed at a Meeting of the holders of the Covered Bonds of a Series shall bind all other holders of that Series, irrespective of the effect upon them, whether they attended the Meeting and whether they voted in favour of the relevant Resolution. Covered Bondholders are therefore exposed to the risk that decisions may be against the interest of such Covered Bondholder and this may have an adverse effect on the (conditions and/or value of) the Covered Bonds. In addition, holders of the Covered Bonds should be aware that, unless they have made arrangements to promptly receive notices sent to Covered Bondholders from any custodians or other intermediaries through which they hold their Covered Bonds and give the same their prompt attention, meetings may be convened or resolutions may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed by such custodians or other intermediaries as aforesaid, they would have voted in an affirmative manner to the holders of the Covered Bonds which passed or rejected the relevant proposal or resolution.

In addition, the Representative of the Covered Bondholders may agree to the modification of the Transaction Documents without consulting Covered Bondholders to correct a manifest error or where such modification (i) is of a formal, minor, administrative or technical nature or an error established as such to the satisfaction of the Representative of the Covered Bondholders or (ii) in the opinion of the Representative of the Covered Bondholders, is not or will not be materially prejudicial to Covered Bondholders. Changes may therefore be made to the Programme to which one or more, or all Covered Bondholders did not agree or would have



disapproved if proposed to them. In addition, the fact that changes may be made to the Programme Documents without the Covered Bondholder's prior knowledge or consent and which changes may be conflicting with the interests of such Covered Bondholder or potential Covered Bondholder, could have an adverse effect on the (the value of) such Covered Bonds that are intended to be sold by a Covered Bondholder.

It should also be noted that after the delivery of an Issuer Default Notice, the protection and exercise of the Covered Bondholders' rights against the Issuer will be exercised by the Guarantor (or the Representative of the Covered Bondholders on its behalf). The rights and powers of the Covered Bondholders may only be exercised in accordance with the Rules of the Organisation of the Covered Bondholders. In addition, after the delivery of a Guarantor Default Notice, the protection and exercise of the Covered Bondholders' rights against the Guarantor and the security under the Guarantee is one of the duties of the Representative of the Covered Bondholders. The Conditions limit the ability of each individual Covered Bondholder to commence proceedings against the Guarantor by conferring on the Meeting of the Covered Bondholders the power to determine in accordance with the Rules of Organisation of the Covered Bondholders, whether any Covered Bondholder may commence any such individual actions. Consequently, the Covered Bondholders either have no right or are limited in their rights to proceed directly against the Issuer or the Guarantor, which ultimately may lead to losses under the Covered Bonds.

Notwithstanding the above, no guarantee can be given on the fact that the parties to the Programme will comply with the contractual provisions which have been inserted in the relevant Transaction Documents in order to limit the ability of individual Covered Bondholders to commence multiple proceedings against the Issuer. The starting of multiple enforcement proceedings against the Issuer and/or Guarantor in breach of the contractual provisions of the Programme may have a negative impact on the ability of the Issuer and/or Guarantor to fulfil its obligations in favour of all Covered Bondholders who will have no further actions available in respect of any such unpaid amounts.

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

In the exercise of its powers, trusts, authorities and discretions the Representative of the Covered Bondholders shall only have regard to the interests of the Covered Bondholders and the Other Creditors, as applicable, but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between these interests the Representative of the Covered Bondholders shall have regard solely to the interests of the Covered Bondholders. In the exercise of its powers, trusts, authorities and discretions, the Representative of the Covered Bondholders may not act on behalf of the Issuer and of the Seller. This may lead to losses under the Covered Bonds.

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

Therefore, Covered Bondholders are exposed to the risk that such powers of the Representative of the Covered Bondholders are exercised against the interest of one or more Covered Bondholders and that the above could negatively affect the market value and/or risks in relation to its Covered Bonds.

***Extendible obligations under the Covered Bond Guarantee***

Investors should be aware of the possibility that amounts to be paid with respect to one or more Series of

Covered Bonds may be paid at a later date than the one originally expected and provided under the relevant Final Terms.

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

To the extent that the Guarantor has received an Issuer Default Notice in time and has sufficient money available to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series of Covered Bonds, the Guarantor shall make partial payment of the relevant Final Redemption Amount in accordance with the Guarantee Priority of Payments and as described in Conditions 7(b) (*Extension of maturity*) and 10(b) (*Effect of an Issuer Default Notice*). Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date *provided that* any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the Guarantor on any Interest Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. The Extended Maturity Date will fall one year after the Maturity Date. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 7(b) (*Extension of maturity*) and the Guarantor will pay Guaranteed Amounts, constituting interest due on each Interest Payment Date and on the Extended Maturity Date.

Therefore, Covered Bondholders or potential Covered Bondholder may not receive payments at the moment they anticipated to receive payments and these payments may not cover all amounts Covered Bondholders may expect to receive.

***Further issues of Covered Bonds issued under the Programme will rank pari passu with existing Covered Bonds in all respects***

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

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

In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect existing holders of the Covered Bonds:

- (a) the Subordinated Loan granted by the Issuer to the Guarantor under the terms of the Subordinated Loan Agreement, may only be used by the Guarantor (i) as consideration for the acquisition of the Eligible Assets from each Seller pursuant to the terms of the Master Loans Purchase Agreement; and (ii) as consideration for the acquisition of the Top-Up Assets and/or other Eligible Assets from each Sellers pursuant to the terms of the Cover Pool Management Agreement; and
- (b) the Issuer must always ensure that the Tests are satisfied on each Calculation Date (and Test Calculation Date when required by Transaction Documents) in order to ensure that the Guarantor can meet its

obligations under the Guarantee.

However, should the above mentioned provisions not be followed by the relevant Parties pursuant to the relevant Transaction Documents, then no assurance can be given as to the impact of any further issue of Covered Bonds under the Programme and to the adverse affect it may have on existing holders of the Covered Bonds. Further issues of Covered Bonds could have an adverse effect on the (the value of) Covered Bonds already issued and could ultimately lead to losses under the Covered Bonds.

### ***Limits to Integration***

The integration of the Cover Pool, whether through Eligible Assets or through Top-Up Assets, shall be carried out in accordance with the methods, and subject to the limits, set out in the Bank of Italy Regulations. More specifically, integration is allowed exclusively for the purpose of (a) complying with the tests provided for under the Decree No. 310; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the limit of 15.00% in relation to certain Top-Up Asset including in the Cover Pool. Investors should note that integration is not allowed in circumstances other than as set out in the Bank of Italy Regulations and specified above: therefore no assurance can be given on the potential negative impact that the need to integrate the Cover Pool outside the circumstances set out in the Bank of Italy Regulations and specified above may have on the interests of the Covered Bondholders.

### ***Reform of EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"***

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

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

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1 January 2018, except that the regime for 'critical' benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the Market Abuse Regulation) have applied from 3 July 2016. The Benchmarks Regulation applies

to the provision of "benchmarks", the contribution of input data to a "benchmark" and the use of a "benchmark" within the EU. It will, among other things, (i) require 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) prevent certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Covered Bonds), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed Covered Bonds linked to a "benchmark" index, including in any of the following circumstances:

- (i) an index which is a "benchmark" could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms of the Covered Bonds, the Covered Bonds could be delisted (if listed), adjusted, redeemed or otherwise impacted;
- (ii) the methodology or other terms of the "benchmark" related to a series of Covered Bonds could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing, increasing or affecting the volatility of the published rate or level of the relevant "benchmark", and could lead to adjustments to the terms of the Covered Bonds, including determination by the Calculation Agent of the rate or level in its discretion.

Any of the international, national or other 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.

As an example of such benchmark reforms, on 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("LIBOR") "benchmark" after 2021 (the "FCA Announcement"). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to provide a fallback by reference to a euro riskfree rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro shortterm rate ("€STR") as the new risk free rate for the area euro. The €STR was published for the first time on 2 October 2019. The euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. Actually, although EURIBOR has been reformed in order to comply with the terms of the

Benchmark Regulation, it remains uncertain as to system how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark. It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past and may have other consequences which cannot be predicted.

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.

The potential elimination of any "benchmark", or changes in the manner of administration of any "benchmark", could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Covered Bonds referencing such "benchmark". The Benchmarks Regulation could have a material impact on any Covered Bonds linked EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the "benchmark". More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or participate in certain "benchmarks", (ii) triggering changes in the rules or methodologies used in certain "benchmarks", and/or (iii) leading to the discontinuance, unavailability or disappearance of certain "benchmarks".

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

The terms and conditions of the Covered Bonds provide that, if a Benchmark Event (as defined in the Conditions) has occurred (including, but not limited to, an Original Reference Rate (as defined in the Conditions) ceasing to be provided or upon a material change of an Original Reference Rate), if applicable, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Rate (as further described in Condition 6(j) (*Fallback Provisions*) of the Terms and Conditions of the Covered Bonds and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine the Successor Rate or Alternative Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Rate, the further fallbacks described in the Terms and Conditions of the Covered Bonds shall

apply. In certain circumstances, including but not limited to where the Issuer is unable or unwilling to determine an Alternative Rate, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest of the last preceding Interest Period being used. This may result in effective application of a fixed rate of interest for Covered Bonds initially designated to be Floating Rate Covered Bonds. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. The use of a Successor Rate or an Alternative Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine a Successor Rate or an Alternative Rate or Adjustment Spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Covered Bonds may not do so and may result in the Covered Bonds performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Covered Bonds, investigations and licensing issues in making any investment decision with respect to any Covered Bonds linked to or referencing a "benchmark".

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

Potential investors should consider the tax consequences of investing in the Covered Bonds and consult their tax adviser about their own tax situation. Notwithstanding anything to the contrary in this Base Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Issuer or, as the case may be, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be. The Issuer shall be obliged to pay an additional amount pursuant to Condition 9 (*Taxation*) subject to customary exceptions including Decree No. 239 withholdings. Neither the Issuer nor the Guarantor shall be obliged to pay any additional amounts to the Covered Bondholders or to gross up in relation to withholdings or deductions on payments made by the Guarantor. As a result, investors may receive amounts that are less than expected.

Investors should therefore be aware of the potential negative results of such lack of gross-up or compensation by the Issuer and the Guarantor on the expected amounts to be received by the Covered Bondholders.

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

#### ***Securitisation and Covered Bond Law***

The Securitisation and Covered Bond Law was enacted in Italy in April 1999 and further amended to allow for the issuance of covered bonds in 2005. As at the date of this Base Prospectus, no interpretation of the application of the Securitisation and Covered Bond Law as it relates to covered bonds has been issued by any Italian court or governmental or regulatory authority, except for (i) the Decree of the Italian Ministry for the Economy and Finance No. 310 of 14 December 2006 ("**Decree No. 310**"), setting out the technical requirements

for the guarantee which may be given in respect of covered bonds and (ii) Part III, Chapter 3 of the “*Disposizioni di Vigilanza per le Banche*” (Circolare No. 285 of 17 December 2013) as amended and supplemented from time to time (the “**Bank of Italy Regulations**”) concerning guidelines on the valuation of assets, the procedure for purchasing top-up assets and controls required to ensure compliance with the legislation. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation and Covered Bond Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus. Any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Issuer, with possible negative impacts on the operational results and the economic and financial situation of the Issuer and of the Programme.

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

Investors will not be able to calculate in advance their rate of return. An investor's total return on an investment in any Covered Bonds will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Covered Bonds, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Covered Bonds, as no assurance can be given as to the potential negative effect such changes in fees may have on their return on an investment in Covered Bonds.

***Priority of Payments***

Recent English insolvency and U.S. bankruptcy court rulings may restrain parties from making or receiving payments in accordance with the order of priority agreed between them.

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called “flip clauses”).

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known.

If a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Guarantor to satisfy its obligations under the Covered Bonds.

Given the general relevance of the issues under discussion in the judgments referred to above, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

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

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

#### ***Covered Bonds subject to optional redemption by the Issuer***

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

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

#### ***Redemption for tax reasons***

In the event that the Issuer would be obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the First Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Covered Bonds in accordance with the Conditions.

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

#### ***Fixed/Floating Rate Covered Bonds***

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

#### ***Fixed rate risks***

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds. In such circumstances an investor may not be able to obtain the expected return on the sale of the relevant Covered Bonds.

#### ***Floating rate risks***

Investment in Floating Rate Covered Bonds involves the risk for the Covered Bondholders of fluctuating interest



rate levels and uncertain interest earnings. In such circumstances, due to varying interest income, investors are not able to determine a definite yield of Floating Rate Covered Bonds at the time they purchase them, so that their return on investment cannot be compared with that of investments having a fixed interest rate. If the terms and conditions of the Covered Bonds provide for frequent interest payment dates, investors are even more exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates at the prevailing time of any such interest payment. In addition, the Issuer's ability to issue Fixed Rate Covered Bonds may negatively affect the market value and secondary market (if any) of the Floating Rate Covered Bonds (and vice versa).

*Covered Bonds issued at a substantial discount or premium*

The issue price of Covered Bonds specified in the applicable Final Terms may be more than the market value of such Covered Bonds as of the issue date, and the price, if any at which a Dealer or any other person willing to purchase the Covered Bonds in secondary market transactions may be lower than the issue price.

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. This may negatively affect the market value and secondary market (if any) of the Covered Bonds.

*Modification, waivers and substitution*

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

***In respect of any Covered Bonds issued with the specific use of proceeds "Green Covered Bond", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The applicable Final Terms relating to any specific Series (or Tranche) of Covered Bonds may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Covered Bonds specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Green Eligible Projects**"). Prospective investors should have regard to the information in the applicable Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Covered Bonds together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealer(s) that the use of such proceeds for any Green Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental projects or uses, the subject of or related to, the relevant Green Eligible Projects). It should be noted that the definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "green" or equivalently-labelled project or a loan that may finance such activity, and the requirements of any such label are currently under development.

On 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the "**EU Taxonomy**"). On 9 March 2020, the European Union Technical Expert Group published its final report on the EU Taxonomy containing

recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019 (the “**EU Green Bond Standard**”). On 15 April 2020, the Council adopted by written procedure its position at first reading with respect to the Taxonomy Regulation. The European Parliament approved the text pursuant to the "early second reading agreement" procedure on 18 June 2020. On 22 June 2020, the Taxonomy Regulation was published in the Official Journal of the European Union and entered into force on 12 July 2020. The Taxonomy Regulation tasks the Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective. These criteria will be established through delegated acts, whose drafts are currently under review. On 12 June 2020, the European Commission launched a public consultation on the creation of the EU Green Bond Standard. These texts are still to be implemented and the final texts may vary from the current recommendations, which may have an impact on the Covered Bonds that cannot be predicted at this stage. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Eligible Projects will meet any or all investor expectations regarding such "green" or other equivalently-labelled performance objectives or that any adverse environmental and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Eligible Projects. Any such consequences could have an adverse effect on the liquidity and value of and return on any such Covered Bonds. As at the date of this Base Prospectus, the Issuer has published a framework relating to an investment in Green Eligible Projects, as better detailed in the section “*Use of Proceeds*” below.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Covered Bonds and in particular with any Green Eligible Projects to fulfil any environmental and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealer(s) or any other person to buy, sell or hold any such Covered Bonds. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Covered Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Covered Bonds are listed or admitted to trading on any dedicated "green" 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 Dealer(s) or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, any Green Eligible Projects . Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealer(s) or any other person that any such listing or admission to trading will be obtained in respect of any such Covered Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Covered Bonds.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Covered Bonds so specified for Green Eligible Projects in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Eligible Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally applied for the specified Green Eligible Projects. Nor can there be any assurance that such Green Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer will not constitute an Issuer Event of Default under the Covered Bonds. However, any such event or failure to apply the proceeds of any issue of Covered Bonds for any Green Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Covered Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may:

- (i) have a material adverse effect on the value of such Covered Bonds and also potentially the value of any other Covered Bonds which are intended to finance Green Eligible Projects; and/or
- (ii) result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose; and/or
- (iii) limit Issuer's access to market relating to "green" or other equivalently-labelled instruments; and/or
- (iv) determine delisting of such Covered Bonds for any Green Eligible Projects from any segment or market dedicated to listing of "green" or other equivalently-labelled instruments.

### **Risks related to the Guarantor**

#### ***VAT Group***

Italian Law no. 232 of 11 December 2016 (the "**2017 Budget Law**") has introduced new rules regarding the creation of a single entity for value added tax purposes (articles from 70-bis to 70-duodecies of Presidential Decree no. 633 of 26 October 1972) ("**VAT Group Regime**"), which, if so elected by an entity, apply from 1 January 2019. Pursuant to such rules, by virtue of the role it takes on in compliance with the VAT Group Regime, the Issuer, in its quality of VAT group representative, assumes the obligations and rights resulting from the application of VAT provisions. Therefore, all rights and obligations arising from the application of the VAT Group Regime are attributed to the VAT group and shall be exercised and fulfilled by the VAT group representative which, *in primis*, will assume any liabilities arising therefrom. All other entities included in the VAT group are jointly and severally liable with the VAT group representative vis-à-vis the Italian Tax Authority for the sums due as a result of the liquidation and controlling activities of the Italian Tax Authority.

On 31 October 2018, the Italian Tax Authority issued the circular letter No. 19/E ("**Circular Letter No. 19/2018**") whereby it has specified – with respect to asset management companies (*società di gestione del risparmio* – SGR) – that funds, as pools of segregated assets, would not be held directly responsible for the sums due as taxes, interest and penalties as a consequence of the liquidation and controlling activities of the Italian Tax Authority, except for the VAT payment obligations specifically related to their assets. Nevertheless, it has not been expressly specified that the same limitation applies also to the assets held by a covered bond guarantor.

Crédit Agricole Italia has opted for the new VAT Group Regime in respect of the Issuer's group (including the

Guarantor) with effect from 1 January 2019 and for the three-year period 2019–2021, with tacit renewal for each subsequent year unless revoked.

Pending further clarification on the scope of application of the new rules, the Issuer has undertaken to hold harmless and indemnify on demand the Guarantor for any costs, expenses, losses, liabilities, damages, fines, penalties and other charges which the Guarantor may incur as a result of its participation in the VAT group to the fullest extent permitted by applicable laws.

However, on 15 November 2019, the Italian Tax Authority issued an official answer to the ruling request No. 487 specifying that the interpretation expressed with regard to the funds in the Circular Letter No. 19/2018 applies also with respect to covered bond guarantors, being also their pools of assets segregated by law with the sole aim of servicing payments due to the covered bondholders.

As a consequence, the segregated pool of assets established by the Guarantor in relation to the Programme is deemed to be liable, pursuant to article 70–octies of Presidential Decree No. 633 of 26 October 1972, only for the portion of VAT, interest and penalties – due in case of audit or assessment – which arise in connection with the management of such pools of assets. Such principles are also consistent with the conclusions reached by the Italian Tax Authorities with the ruling No. 487 of 15 November 2019.

However, no assurance can be given as to any different interpretation and or provision to be issued in the future by the Italian Tax Authority, which could require the Guarantor to incur in costs, expenses, losses, liabilities, damages, fines, penalties and other charges as a result of its participation in the VAT group. Such circumstance could negatively affect the ability of the Guarantor to comply with its obligations under the Covered Bonds Guarantee and the Transaction Documents.

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

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

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

***Limited resources available to the Guarantor***

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

If a Guarantor Event of Default occurs and the Covered Bond Guarantee is enforced, the proceeds of enforcement may not be sufficient to meet the claims of all the secured creditors, including the Covered Bondholders. If, following enforcement and realisation of the assets in the Cover Pool, creditors of the Guarantor 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. Holders of the Covered Bonds should therefore be aware of the fact that, in such circumstances, the Guarantor may not be able to pay interest and repay principal of the Covered Bonds in full.

### ***Reliance of the Guarantor on third parties***

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

If a Master Servicer Termination Event occurs pursuant to the terms of the Master Servicing Agreement, then the Guarantor and/or the Representative of the Covered Bondholders will be entitled to terminate the appointment of the Master Servicer and, automatically, of any Sub-Servicer and appoint a new master servicer in its place. There can be no assurance that a substitute master servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Loans on the terms of the Master Servicing Agreement. The ability of a substitute master servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute master servicer may affect the realisable value of the Cover Pool or any part thereof, and/or the ability of the Guarantor to make payments under the Covered Bond Guarantee. Moreover, the substitute servicer may charge higher servicing fees that it agrees to with the Guarantor, which servicing fees will be entitled to priority over payments to holders of the Covered Bonds.

Neither the Master Servicer nor any Sub-Servicer has any obligation to advance payments if the Debtors fail to make any payments in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Master Servicer or any other Sub-Servicer under the Master Servicing Agreement.

The Representative of the Covered Bondholders is not obliged in any circumstances to act as the Master Servicer or any Sub-Servicer or to monitor the performance by the Master Servicer or any Sub-Servicer of their obligations.

### ***Reliance on Swap Providers***

To hedge against possible variations in the performance of the indexations in the Portfolio and EURIBOR with a certain designated maturity, the Guarantor may enter into one or more Asset Swap Agreements with one or more Asset Swap Providers. In addition, to mitigate against interest rate, basis risk, currency and/or other risks in respect of each Series of Covered Bonds issued under the Programme, the Guarantor is expected to enter into one or more Liability Swap Agreements with one or more Liability Swap Providers in respect of each Series.

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

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

Accordingly, the obligation to pay a termination payment may adversely affect the ability of the Guarantor to meet their respective obligations under the Covered Bonds or the Covered Bond Guarantee.

#### ***Differences in timings of obligations under the Liability Swaps***

With respect to any Liability Swap Agreements, it is expected that the Guarantor will pay to the relevant Liability Swap Provider on each Guarantor Payment Date a fixed rate or a floating rate option such as, for Series of Covered Bonds denominated in Euro, a floating rate linked to EURIBOR. Each Liability Swap Provider is expected to make corresponding swap payments to the Guarantor on the Interest Payment Date of the relevant Series of Covered Bonds, which could be monthly, quarterly, semi-annual or annual.

Due to the mis-match in timing of payments under the Liability Swap Agreements, on many Guarantor Payment Dates, the Guarantor will be required to make a payment to the Liability Swap Provider without receiving a payment in return and therefore there can be no netting of payments except on the date when the Liability Swap Provider is required to make a payment to the Guarantor.

#### ***No gross up on withholding tax***

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

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

If an Issuer Default Notice is served on the Issuer and the Guarantor, then the Guarantor will be obliged to sell Eligible Assets (selected on a random basis) in order to make payments to the Guarantor's creditors including making payments under the Covered Bond Guarantee, see "*Overview of the Transaction Documents*" - "*Cover Pool Management Agreement*".

There is no guarantee that a buyer will be found to acquire Eligible Assets at the times required and there can be no guarantee or assurance as to the price which can be obtained for such Eligible Assets, which may affect payments under the Covered Bond Guarantee. However, the Eligible Assets may not be sold by the Guarantor

for less than an amount equal to the Required Outstanding Principal Balance Amount for the relevant Series of Covered Bonds until six months prior to the Maturity Date in respect of such Covered Bonds or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date under the Covered Bond Guarantee in respect of such Covered Bonds. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, the Guarantor is obliged to sell the Selected Loans for the best price reasonably available notwithstanding that such price may be less than the Required Outstanding Principal Balance Amount.

However, the provision of the Required Outstanding Principal Balance Amount does not assure that the Guarantor may realize sufficient proceeds to pay the Covered Bonds in full.

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

If a Guarantor Event of Default occurs and a Guarantor Default Notice is served on the Guarantor, then the Representative of the Covered Bondholders will be entitled to enforce the Covered Bond Guarantee and to apply the proceeds deriving from the realisation of the Cover Pool towards payment of all secured obligations in accordance with the Post-Enforcement Priority of Payments, as described in the section entitled "*Cashflows*" below.

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

**Risks related to the Underlying**

***Limited description of the Cover Pool***

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

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

Therefore, the information received by Covered Bondholders may not reflect all and/or the most recent statistics or information in relation to the Mortgage Loans.

However, each Mortgage Loan will be required to meet the Eligibility Criteria (see "*Description of the Cover Pool — Eligibility Criteria*") and will be subject to the representations and warranties set out in the Warranty and Indemnity Agreement – see "*Overview of the Transaction Documents – Warranty and Indemnity Agreement*".

A change in the composition of the Mortgage Loans may lower the quality and may result in a lower income received by the Guarantor than originally envisaged and this could ultimately lead to losses under the Covered Bonds.

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

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

- default by Debtors of amounts due on their Mortgage Loans;
- changes to the lending criteria of the Sellers;
- set-off risks in relation to some types of Mortgage Loans in the Cover Pool;
- usury Law;
- compounding interest;
- mortgage borrower protection; and
- renegotiations of floating rate Mortgage Loans.

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

#### ***Default by Debtors in paying amounts due on their Mortgage Loans***

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

#### ***Changes to the lending criteria of the Sellers***

Each of the Mortgage Loans originated by the Sellers will have been originated in accordance with its lending criteria at the time of origination. Each of the Mortgage Loans sold to the Guarantor by the Sellers, but originated by a person other than a 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 relevant Seller's or the relevant Originator's, as the case may be, lending criteria will generally consider type of property, term of loan, age of applicant, the loan-to-value ratio, mortgage indemnity guarantee policies, high loan-to-value fees, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Loans to the Guarantor, the Sellers will warrant that (a) such Mortgage Loans 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 Loans as were originated by an



Originator, were originated in accordance with the relevant Originator's lending criteria applicable at the time of origination. The Sellers retain the right to revise their lending criteria from time to time subject to the terms of the Master Loans Purchase Agreement. An Originator may additionally revise its lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Loans, that may lead to increased defaults by Debtors and may affect the realisable value of the Cover Pool and the ability of the Guarantor to make payments under the Covered Bond Guarantee. However, it should be noted that Defaulted Loans in the Cover Pool will not be considered for the purpose of the calculation of the Statutory Tests and the Amortisation Test.

### ***Set-off risks***

The assignment of receivables under the Securitisation and Covered Bond Law is governed by article 58, paragraph 2, 3 and 4, of the Consolidated Banking Act. 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, and (ii) the date of registration of the notice of assignment in the local Companies' Registry. Consequently, the rights of the Guarantor may be subject to the direct rights of the Debtors 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 local Companies' Registry, having a negative impact on its recoveries and, therefore, its ability to make payments under the Covered Bond Guarantee. In addition, the exercise of set-off rights by Debtors may adversely affect any sale proceeds of the Cover Pool and, ultimately, the ability of the Guarantor to make payments under the Covered Bond Guarantee.

Moreover, further to certain amendments to article 4 of the Securitisation and Covered Bond Law, it is now expressly provided by the Securitisation and Covered Bond Law that the Debtors cannot exercise rights of set-off against the Guarantor on claims arising *vis-à-vis* the Sellers after the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*).

### ***Usury Law***

Italian Law number 108 of 7 March 1996, as amended by law decree No. 70 of 13 May 2011 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

On 29 December 2000, the Italian Government issued law decree No. 394 (the "**Decree No. 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.

According to recent court precedents of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent

evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time when the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Statutory Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable Statutory Usury Rates against which the former must be compared.

To solve such a contrast between different Italian Supreme Court (*Corte di Cassazione*) decisions, a recent decision by the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective falling outside of the scope of the Usury Law.

In addition, the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the 'type' of rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to the last interpretation of the Supreme Court.

If the Usury Law were to be applied to the Receivables and the Mortgage Loan Agreements, the amount payable by the Issuer to the Covered Bondholders 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 Covered Bonds.

### ***Compound interest***

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice. However, a number of recent judgements from Italian courts (including judgements from the Italian Supreme Court (*Corte di Cassazione*)) have held that such practices may not be defined as customary practices. Consequently, if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Loans may be prejudiced. Therefore, potential investors should be aware of the potential negative impact of application by the merits courts of such interpretation of the Italian Civil Code on the recoveries and cash flows of the Issuer.

In this respect, it should be noted that Article 25, paragraph 3, of Legislative Decree No. 342 of 4 August 1999 (“**Decree No. 342**”), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the CICR issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Recently, article 17 bis of law decree 18 of 14 February 2016 as converted into Law no. 49 of 8 April 2016 amended article 120, paragraph 2, of the Consolidated Banking Act, providing that the accrued interest shall not produce further interests, except for default interests, and are calculated exclusively on the principal amount. On 8 August 2016, the decree no. 343 of 3 August 2016 issued by the Minister of Economy and Finance, in his quality of President of the CICR, implementing article 120, paragraph 2, of the Banking Law, has been published. Given the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Base 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 Loans 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 Covered Bond Guarantee.

### ***Mortgage borrower protection***

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

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

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

### ***Renegotiations of floating rate Mortgage Loans***

Law Decree No. 93 of 27 May 2008 (“**Law Decree No. 93**”), converted into law No. 126 of 24 July 2008 (“**Law No. 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 No. 126, the *Ministero dell'Economia e delle Finanze (Minister of Economy and Finance)* and the ABI entered into a convention providing for the procedures for the renegotiation of such floating rate mortgage loans (the "**Convention**").

The Convention applies to floating rate mortgage loan agreements entered into or taken over (*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 legislation referred to in each subparagraph under section "*Mortgage borrower protection*" above constitutes an adverse effect on the Cover Pool and, in particular, on any cash flow projections concerning the Cover Pool as well as on the over-collateralisation required. However, as this legislation is relatively new, as at the date of this Base Prospectus, the Issuer is not in a position to fully predict its impact.

#### *Mortgage Credit Directive*

In Italy the Government has approved the Legislative Decree no. 72 of 21 April 2016 (the "**Mortgage Legislative Decree**"), implementing the 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 clarifies that the new legal framework shall apply, *inter alia*, to (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property rights on residential immovable assets.

Moreover such decree sets forth certain rules of correctness, diligence and transparency and information undertakings applicable to the lenders and intermediaries which offer loans to the consumers and provides that without prejudice to article 2744 of Italian civil code, the parties may expressly agree in a specific clause at the closing of a loan agreements that in case of breach of the borrower's payment obligations under the agreement (*i.e.* non-payment of an amount equal to eighteen loan instalments due and payable by the debtor)

the transfer or the sale of the mortgaged assets has as a consequence that the entire debt is settled even if the value of the assets or the proceeds deriving from the sale of the assets is lower than the remaining amount due by the debtor in relation to the loan. Otherwise if the estimated value of the assets or the proceeds deriving from the sale of the assets is higher than the remaining amount due by the debtor, the excess amount shall be returned to the consumer. According to the Mortgage Legislative Decree the Bank of Italy and the Ministry of Economy and Finance shall enact implementing provisions of such decree. In this respect, on 30 September 2016, the Bank of Italy has amended the supervisory regulations on transparency and correctness in the relationships between intermediaries and clients (*disposizioni di vigilanza in materia di trasparenza delle operazioni e dei servizi bancari e finanziari; correttezza delle relazioni tra intermediari e clienti*) of 29 July 2009, as subsequently amended, in order to implement the transparency provisions laid down by the Mortgage Credit Directive and by the Mortgage Credit Legislative Decree, while on January 2018 the Ministry of Economy and Finance has submitted to public consultation the draft of the Interministerial Decree implementing the Mortgage Legislative Decree. The final version of the Interministerial Decree has not yet been published. Therefore, as at the date of this Base Prospectus, the Issuer is not in a position to fully predict its impact.

### **Risks related to the market generally**

#### ***Limited secondary market for the Covered Bonds***

There is, at present, a secondary market for the Covered Bonds but it is neither active nor liquid, and there can be no assurance that an active or liquid secondary market for the Covered Bonds will develop. The Covered Bonds have not been, and will not be, offered to any persons or entities in the United States of America or registered under any securities laws and are subject to certain restrictions on the resale and other transfers thereof as set forth under section entitled "*Subscription and Sale*". If an active or liquid secondary market develops, it may not continue for the life of the Covered Bonds or it may be sensitive to changes in financial markets or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield comparable to similar investments that have a developed liquid secondary market. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. In addition, Covered Bonds issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Covered Bonds may be adversely affected. In an illiquid market, an investor might not be able to sell its Covered Bonds at any time at fair market prices. The possibility to sell the Covered Bonds might additionally be restricted by country specific reasons.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### ***Credit ratings may not reflect all risks***

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

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

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

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

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

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 Covered Bonds.

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

### ***Risks relating to controls over the transaction***

The Bank of Italy Regulations require that certain controls be performed by the Issuer aimed at, *inter alia*, limiting the risk that any obligation of the Issuer or the Guarantor under the Covered Bonds is not complied with. Whilst the Issuer believes it has implemented the appropriate policies and controls in compliance with the relevant requirements, investors should note that there is no assurance that such compliance ensures that the

aforesaid controls are actually performed. Moreover, any failure to properly implement the respective policies and controls could have an adverse effect on the Issuer's or the Guarantor's ability to perform their obligations under the Covered Bonds, and ultimately, negatively affect their ability to pay interest and repay principal on the Covered Bonds.

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

***Legal investment considerations may restrict certain investments***

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

***Changes of law***

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

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

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

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

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

On 27 October 2020, the European Commission issued a draft delegated regulation aimed at amending Delegated Regulation (EU) 2015/61 (the "**LCR Delegated Regulation**") on the Liquidity Coverage Ratio (LCR). The LCR Delegated Regulation is applicable to all credit institutions, including those issuing covered bonds. Such credit institutions are currently subject to the liquidity coverage requirement applicable for a period of 30

calendar days, during which a covered bond issuer has to ensure it has sufficient liquid assets (in the meaning of the LCR Delegated Regulation) to cover the net liquidity outflows (in the meaning of the LCR Delegated Regulation), including those stemming from the covered bond programme. At the same time, Directive (EU) 2019/2162 requires credit institutions issuing covered bonds to maintain at all times a liquidity buffer ('cover pool liquidity buffer') composed of liquid assets available to cover the net liquidity outflows of their covered bonds programmes for a period of 180 days. The cover pool liquidity buffer established by the Directive (EU) 2019/2162 includes assets that meet all but one requirement to be recognised as liquid assets under the LCR Delegated Regulation: assets in the cover pool liquidity buffer are subject to the segregation requirement under the Article 12 of the Directive (EU) 2019/2162, making them encumbered and therefore ineligible in the LCR liquidity buffer, thus duplicating the liquidity requirements covered bonds issuers have to comply with. To ensure that Member States can address such overlap, Directive (EU) 2019/2162 includes an option for Member States to waive the specific cover pool liquidity buffer requirement for the time that the credit institution issuing covered bonds complies with other liquidity requirements under Union law. However, the exercise of the abovementioned waiver to avoid double counting would not be prudentially sound because, after the separation of the credit institution's estates in stress scenarios, it would reduce the liquid assets in the cover pool intended to respond to its own payment obligations (liquid assets fulfilling the general liquidity coverage requirement are by definition unencumbered, meaning that they are freely available for the credit institution and part of its general estate). The draft delegated regulation aims to remove the overlap, by permitting credit institutions to treat liquid assets held as part of the cover pool liquidity buffer as unencumbered up to the amount of net liquidity outflows from the associated covered bond programme. Moreover, several additional changes to the LCR Delegated Regulation are proposed in the context of the draft delegated regulation at hand, in order to align the LCR Delegated Regulation with Article 129 of the CRR, as amended by Regulation (EU) 2019/2160. The consultation will remain opened until 24 November 2020.

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

- the Bank of Italy will be the competent authority for the supervision on covered bonds;
  - the implementing provisions shall provide for the exercise of the option granted by Article 17 of Directive (EU) 2019/2162, allowing for the issue of covered bonds with extendable maturity structures;
- and

the implementing provisions shall grant the Bank of Italy with the power to exercise the option to set for covered bonds a minimum level of overcollateralization lower than the thresholds set out under Article 1 of Regulation (EU) 2019/2162 (*i.e.* 2% or 5% depending on the assets included in the cover pool).

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

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



Covered Bonds.

### ***Regulatory framework***

The Issuer is subject to a complex and strict regulation, as well as to the supervisory activity performed by the relevant institutions (in particular, the European Central Bank, the Bank of Italy and CONSOB). Both aforementioned regulation and supervisory activity are subject, respectively, to continuous updates and practice developments.

Furthermore, the Issuer is required to comply with further provisions issued by CONSOB.

The Issuer, besides the supranational and national rules and the primary or regulatory rules of the financial and banking sector, is also subject to specific rules on anti-money laundering, usury and consumer protection.

Although the Issuer undertakes to comply with the set of rules and regulations, any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Issuer, with possible negative impacts on the operational results and the economic and financial situation of the Issuer.

For further details, please see the "*Certain regulatory aspects related to the Issuer*" on page 184 of this Base Prospectus.

### ***Risks connected with the political and economic decisions of EU and Eurozone countries and the United Kingdom leaving the European Union (Brexit)***

On 31 January 2020 ("**exit day**"), the UK withdrew from the EU. Pursuant to Articles 126 and 127 of the Article 50 Withdrawal Agreement that entered into force on exit day, the UK entered an implementation period during which it negotiated its future relationship with the EU under the political declaration that accompanied the Article 50 Withdrawal Agreement. During such implementation period – which ended at 11 p.m. UK time (midnight CET) on 31 December 2020 (the implementation period completion day, or "**IP completion day**") – EU law generally continued to apply in the UK.

Following such negotiations, on 24 December 2020 the UK and the EU concluded a free trade agreement known as the 'UK-EU Trade and Cooperation Agreement' (the "**TCA**"). The TCA, which entered into force (initially on a temporary basis) on IP completion day, is principally a free trade agreement in goods. It does not address in any detail a number of areas, including the cross-border provision of services, the 'passporting' of UK and EU financial institutions, the determination of equivalence between EU and UK financial market regulations, or judicial cooperation in civil matters. In addition, on IP completion day, as a unilateral matter and in order to mitigate the effect of the EU Treaties no longer applying to the UK, the UK incorporated into its law (*i.e.* grandfathered) the majority of EU law as it stood at IP completion day ("**EU retained law**").

Notwithstanding the conclusion of the Withdrawal Agreement and the TCA by the EU and the UK, and the implementation by the UK of EU retained law, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU and there are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services) following the UK's exit from the EU.

There is a risk that other EU Member States could hold referenda as to their membership of, and ultimately leave, the EU, as did the UK, and that one or more EU Member States that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency, or that there is a prolonged period of uncertainty connected to these eventualities. These risks if they materialised could have a significant negative

impact on global economic conditions and the stability of the international financial markets. This could include further volatility in equity markets, in the value of sterling and/or the Euro and in financial markets generally, a reduction in global market liquidity with a potential negative impact on asset prices, operating results and capital including as may impact the financial position of the Issuer and/or the Crédit Agricole Italia Banking Group and the market value and/or liquidity of the Covered Bonds in the secondary market.

In addition to the above, and in consideration of the fact that at the date of this Base Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Eurozone, the consequences of these decisions are exacerbated by the uncertainty regarding the methods by which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer and/or the Crédit Agricole Italia Banking Group and/or the Issuer's ability to pay interest and repay principal under the Covered Bonds, as well as the market value and/or the liquidity of the Covered Bonds in the secondary market.

## INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following information, which has been previously published or are published simultaneously with this Base Prospectus and which have been or are filed with the CSSF:

- (a) Issuer's audited consolidated and non-consolidated annual financial statements as at and for the years ended 31 December 2018 and 31 December 2019:

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/001/826/original/2018-cr-c3-a9dit-20agricole-20italia-annual-20report.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/001/826/original/2018-cr-c3-a9dit-20agricole-20italia-annual-20report.pdf)

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/167/original/2019-annual-report-and-financial-statements.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/167/original/2019-annual-report-and-financial-statements.pdf)

- (b) Issuer's consolidated results as at and for the six months ended 30 June 2020:

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/165/original/2020-06-gbcai-half-20yearly-20consolidated-20report.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/165/original/2020-06-gbcai-half-20yearly-20consolidated-20report.pdf)

- (c) Guarantor's Financial Statements, together with relevant Independent Auditor's reports and Directors of the Guarantor's report on operations, as at and for the years ended 31 December 2018 and 31 December 2019:

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/024/original/ca-italia-obg-bilancio-2018-eng.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/024/original/ca-italia-obg-bilancio-2018-eng.pdf)

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/131/original/ca-20italia-20obg-20finanancial-20report-202019.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/131/original/ca-20italia-20obg-20finanancial-20report-202019.pdf)

- (d) Press release of the Issuer dated 1 March 2021 and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*":

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/260/original/cs-20-20-20opa-20creval-20-e2-80-93-20comunicazione-20ai-20sensi-20dell-e2-80-99art-2041-2c-20c-202-2c-20lett-20c-2c-20del-20regolamento-20emittenti-201-20marzo-20eng-20sito.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/260/original/cs-20-20-20opa-20creval-20-e2-80-93-20comunicazione-20ai-20sensi-20dell-e2-80-99art-2041-2c-20c-202-2c-20lett-20c-2c-20del-20regolamento-20emittenti-201-20marzo-20eng-20sito.pdf)

- (e) Press release of the Issuer dated 19 February 2021 and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*":

[https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/255/original/cs-20-20opa-20creval-20-e2-80-93-20comunicazione-20ai-20sensi-20dell-e2-80-99art-2041-2c-20c-202-2c-20lett-20c-2c-20del-20regolamento-20emittenti-20eng-20sito.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/255/original/cs-20-20opa-20creval-20-e2-80-93-20comunicazione-20ai-20sensi-20dell-e2-80-99art-2041-2c-20c-202-2c-20lett-20c-2c-20del-20regolamento-20emittenti-20eng-20sito.pdf)

- (f) Press release of the Issuer dated 15 February 2021 and headed "*Creval Vto - Golden Power Condition Precedent*":

<https://static.credit-agricole.it/credit-agricole->

- [it/system/rich/rich\\_files/rich\\_files/000/002/247/original/cs-20-20avveramento-20condizione-20golden-20power-20eng-20sito.pdf](https://system/rich/rich_files/rich_files/000/002/247/original/cs-20-20avveramento-20condizione-20golden-20power-20eng-20sito.pdf)
- (g) Press release of the Issuer dated 11 February 2021 and headed "*Crédit Agricole Italia Banking Group: Results as at 31 December 2020*":
- [https://static.credit-agricole.it/credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15263/CS\\_-\\_Risultati\\_FY2020\\_Gruppo\\_Bancario\\_Credit\\_Agricole\\_Italia\\_-\\_ENG\\_sito.pdf](https://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15263/CS_-_Risultati_FY2020_Gruppo_Bancario_Credit_Agricole_Italia_-_ENG_sito.pdf)
- (h) Press release of the Issuer dated 5 February 2021 and headed "*Creval Vto – Antitrust Condition Precedent*":
- [https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/243/original/cs-20-20avveramento-20condizione-20antitrust-20eng.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/243/original/cs-20-20avveramento-20condizione-20antitrust-20eng.pdf)
- (i) Press release of the Issuer dated 18 January 2021 and headed "*Voluntary public tender offer of Crédit Agricole Italia S.p.A. on the shares of Banca Piccolo Credito Valtellinese S.p.A. – Press release under art. 41, par. 2, let. c), of the Regulation approved by Consob with resolution no. 11971 of 14 May 1999 ("Consob Regulation")*":
- [https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/257/original/cs-20-20comunicazione-20ex-20art-2041-2c-20co-202-2c-20let-20c-2c-20del-20regolamento-20adottato-20dalla-20consob-20-20eng.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/257/original/cs-20-20comunicazione-20ex-20art-2041-2c-20co-202-2c-20let-20c-2c-20del-20regolamento-20adottato-20dalla-20consob-20-20eng.pdf)
- (j) Press release of the Issuer dated 11 December 2020 and headed "*Voluntary tender offer launched by Crédit Agricole Italia S.p.A. on all the shares of Credito Valtellinese S.p.A.*":
- [https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/236/original/cs-20-20deposito-20documento-20di-20offerta-20in-20consob-20eng.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/236/original/cs-20-20deposito-20documento-20di-20offerta-20in-20consob-20eng.pdf)
- (k) Press release of the Issuer dated 23 November 2020 and headed "*Notice pursuant to Articles 102, paragraph 1, of the Legislative Decree of 24 February 1998, no. 58, and 37 of the Consob Regulation of 14 May 1999, no.11971 ("Notice")*":
- [https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/202/original/102-20notice-2023-11-2020.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/202/original/102-20notice-2023-11-2020.pdf)
- (l) Press release of the Issuer dated 23 November 2020 and headed "*Crédit Agricole Italia launches a cash voluntary public tender offer for all shares of Credito Valtellinese*":
- [https://gruppo.credit-agricole.it/system/rich/rich\\_files/rich\\_files/000/002/205/original/press-20release-2023-2011-202020.pdf](https://gruppo.credit-agricole.it/system/rich/rich_files/rich_files/000/002/205/original/press-20release-2023-2011-202020.pdf)
- (m) Terms and Conditions the Rules of the Organization of the Covered Bondholders set out under the Base Prospectus dated 26 March 2020:
- [https://gruppo.credit-agricole.it/system/rich/rich\\_files/rich\\_files/000/002/026/original/cr-c3-a9dit-20agricole-20italia-20obg-20base-20prospectus-final.pdf](https://gruppo.credit-agricole.it/system/rich/rich_files/rich_files/000/002/026/original/cr-c3-a9dit-20agricole-20italia-20obg-20base-20prospectus-final.pdf)

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

The table below sets out the relevant page references for: (i) the independent auditors' report, the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the consolidated financial statements and to the non-consolidated financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2019; (ii) the independent auditor's report, the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the Issuer's consolidated results as at and for the six months ended 30 June 2020; and (iii) the independent auditors' report, the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in net equity, the statement of cash flows and the notes to the financial statements of the Guarantor as at and for the years ended 31 December 2018 and 31 December 2019.

The audited consolidated financial statements referred to above, together with the audit reports thereon, are available both in the original Italian language and in English language. The English language versions represent a direct translation from the Italian language documents. The Issuer and the Guarantor are responsible for the English translations of the financial reports incorporated by reference in this Base Prospectus as applicable and declare that such is an accurate and not misleading translation in all material respects of the Italian language version of the Issuer's and the Guarantor's financial reports.

Copies of documents containing information incorporated by reference into this Base Prospectus may be obtained from the registered office of the Issuer and the Issuer's website (<http://gruppo.credit-agricole.it/>). This Base Prospectus and the documents incorporated by reference will also be available on the Luxembourg Stock Exchange's web site (<http://www.bourse.lu>).

#### **Cross-reference List**

The following tables show, inter alia, the information required under Annex 7 of the Prospectus Regulation (in respect of the Issuer and the Guarantor) that can be found in the above-mentioned financial statements incorporated by reference into this Base Prospectus.

<b>Issuer's Reports and Accounts</b>	<b>2018</b>	<b>2019</b>
<b><i>Issuer's Audited Consolidated Annual Financial Statements</i></b>		
Independent Auditors' Report	Pages 95–103	Pages 94–101
Consolidated Balance Sheet	Pages 104–105	Pages 102–103
Consolidated Income Statement	Page 106	Page 104
Consolidated Statement of Comprehensive Income	Page 107	Page 105
Statement of Changes in Consolidated Shareholders' Equity	Page 108	Pages 106–107

Consolidated Statement of Cash Flows	Page 110– 111	Page 108–109
Notes to the Consolidated Financial Statements	Pages 112– 331	Pages 110–313

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this Base Prospectus.

<b><i>Issuer's Audited Non-Consolidated Annual Financial Statements</i></b>	<b>2018</b>	<b>2019</b>
Independent Auditors' Report	Pages 360– 368	Pages 340–347
Balance Sheet	Pages 370– 371	Pages 348–349
Income Statement	Page 372	Page 350
Statement of Comprehensive Income	Page 373	Page 351
Statement of Changes in Shareholders' Equity	Page 374	Page 352
Statement of Cash Flows	Page 375– 376	Page 353–354
Notes to the Separate Financial Statements	Pages 377– 575	Pages 355–543

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this Base Prospectus.

<b><i>Consolidated results as at and for the six months ended 30 June 2020</i></b>	<b>Pages</b>
Consolidated Balance Sheet	28–29
Consolidated Income Statement	30
Consolidated Statement of Comprehensive Income	31
Statement of Changes in Equity	32–33
Consolidated Statement Cash Flows	34–35
Notes to the Half-yearly Condensed Consolidated Financial Statements	From page 36 to page 43; From page 46 to page 48; From page 52 to page 54; From page 58 to page 78.
Independent Auditors' Report	79

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this

Base Prospectus.

***Guarantor's Financial Statements***

**2018 2019**

**Page references refer to the  
pagination of the aggregate relevant  
pdf document**

Statement of Financial Position	Page 10 of 50	Page 9 of 49
Income Statement	Page 11 of 50	Page 10 of 49
Statement of Comprehensive Income	Page 12 of 50	Page 11 of 49
Statement of Changes in Net Equity	Page 13 of 50	Page 12 of 49
Statement of Cash Flows	Pages 14–15 of 50	Pages 13–14 of 49
Notes to the Financial Statements	Pages 15–34 of 50	Pages 14–33 of 49
Guarantor's Independent Auditors report	Pages 48–50 of 50	Pages 46–49 of 49
Directors of the Guarantor's report on operations	Pages 1–6 of 50	Pages 1–5 of 49

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this Base Prospectus.

<b><i>Press release dated 1 March 2021 and headed "Creval VTO – Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation"</i></b>	Entire document
<b><i>Press release dated 19 February 2021 and headed "Creval VTO – Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation"</i></b>	Entire document
<b><i>Press release headed "Creval Vto – Golden Power Condition Precedent"</i></b>	Entire document
<b><i>Press release headed "Crédit Agricole Italia Banking Group: Results as at 31 December 2020"</i></b>	Page 6, paragraphs: "Income Statement highlights",

	item "Net income (loss)"; "Income Statement highlights", item "Operating expenses"; "Balance Sheet highlights", item "Equity"; "Balance Sheet highlights", item "Loans to Customers".
<b>Press release headed "<i>Creval Vto – Antitrust Condition Precedent</i>"</b>	Entire document
<b>Press release headed "<i>Voluntary public tender offer of Crédit Agricole Italia S.p.A. on the shares of Banca Piccolo Credito Valtellinese S.p.A. – Press release under art. 41, par. 2, let. c), of the Regulation approved by Consob with resolution no. 11971 of 14 May 1999 ("Consob Regulation")</i>"</b>	Entire document
<b>Press release headed "<i>Voluntary tender offer launched by Crédit Agricole Italia S.p.A. on all the shares of Credito Valtellinese S.p.A.</i>"</b>	Entire document
<b>Press release headed "<i>Notice pursuant to Articles 102, paragraph 1, of the Legislative Decree of 24 February 1998, no. 58, and 37 of the Consob Regulation of 14 May 1999, no.11971 ("Notice")</i>"</b>	Entire document
<b>Press release headed "<i>Crédit Agricole Italia launches a cash voluntary public tender offer for all shares of Credito Valtellinese</i>"</b>	Pages 1–7 other than paragraphs headed "Solid industrial project", "Significant value creation for Crédit Agricole",



and “A  
strategic  
acquisition in  
line with  
Crédit  
Agricole  
S.A.’s  
medium-  
term  
ambition”

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this Base Prospectus.

### **Terms and Conditions the Rules of the Organization of the Covered Bondholders set out under the Base Prospectus approved on 26 March 2020**

The following table shows, *inter alia*, the information that can be found in the above-mentioned documents incorporated by reference into this Base Prospectus.

#### **Base prospectus approved on 26 March 2020**

Terms and Conditions of Covered Bonds	Pages 58 – 110
Rules of the Organisation of the Covered Bondholders	Pages 111 – 137

The terms and conditions and the rules of the organisation of the covered bondholders set out under the base prospectus approved on 26 March 2020 are available at the following link: <https://www.bourse.lu/programme-documents/Programme-CreditAgritalia/13975>

Pursuant to Article 19(1) of Regulation (EU) 2017/1129, the information not listed in the cross-reference list above are not incorporated by reference and are either not relevant for investors or covered elsewhere in this Base Prospectus.

Any document which is incorporated by reference into any of the documents incorporated in, and form part of, the Base Prospectus, shall not constitute a part of the Base Prospectus.

The Issuer, being the person responsible for the financial information included in the Press Release dated 11 February 2021, has approved such financial information.

EY S.p.A., as independent auditors of the Issuer, have agreed that the financial information at 31 December 2020 and for the year then ended included in the Press Release dated 11 February 2021, which has not been audited, is substantially consistent with the final figures to be published in the next annual audited consolidated financial statements of the Issuer for the year ended 31 December 2020.

The unaudited results for the full year 2020 have been compiled on the basis of the established financial reporting process of the Issuer using the same accounting principles, standards and assumptions that

have been used in the consolidated financial statements of the Issuer for the business year 2020.

The information included in the Press Release dated 11 February 2021 has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the Issuer's accounting policies. The financial information included in the Press Release published by the Issuer on 11 February 2021 on its website (at [https://static.credit-agricole.it/credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15263/CS\\_-\\_Risultati\\_FY2020\\_Gruppo\\_Bancario\\_Credit\\_Agricole\\_Italia\\_-\\_ENG\\_sito.pdf](https://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15263/CS_-_Risultati_FY2020_Gruppo_Bancario_Credit_Agricole_Italia_-_ENG_sito.pdf)) refers to a 12-month period ended on 31 December 2020 and therefore there are no assumptions or factors which the members of the administrative, management or supervisory bodies can influence.

Copies of the Press Release dated 11 February 2021 may be obtained from the registered office of the Issuer and the Issuer's website (<http://gruppo.credit-agricole.it/>) and will also be available on the Luxembourg Stock Exchange's web site (<http://www.bourse.lu>).

### **SUPPLEMENT TO THE BASE PROSPECTUS**

The Issuer has undertaken, in connection with the listing of the Covered Bonds on the official list of the Luxembourg Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the information set out under "Terms and Conditions of the Covered Bonds", that is material in the context of issuance of Covered Bonds under the Programme, the Issuer will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions of the Covered Bonds (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "**holder**" of Covered Bonds and to the "**Covered Bondholders**" are to the ultimate owners of the Covered Bonds. The Covered Bond will be held by Monte Titoli (as defined below) on behalf of the Bondholders 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 Covered Bonds will at all times be in book entry form and title to the bonds be evidenced by book entries with Monte Titoli in accordance with the provisions of (i) Italian Legislative Decree No. 58 of 24 February 1998 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.*

*The Covered Bondholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Covered Bondholders attached to, and forming part of, these Conditions. In addition, the applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of such Tranche.*

### 1. Introduction

#### (a) **Programme**

Crédit Agricole Italia S.p.A. ("**Crédit Agricole Italia**" or "**CA Italia**" or the "**Issuer**") has established a Covered Bond Programme (the "**Programme**") for the issuance of up to Euro 16,000,000,000 in aggregate principal amount of covered bonds (the "**Covered Bonds**") guaranteed by Crédit Agricole Italia OBG S.r.l. (the "**Guarantor**"). Covered Bonds are issued pursuant to Article 7-*bis* of Law No. 130 of 30 April 1999 (as amended and supplemented from time to time) (the "**Securitisation and Covered Bond Law**"), Ministerial Decree No. 310 of the Ministry for the Economy and Finance of 14 December 2006, as amended and supplemented from time to time ("**Decree No. 310**") and Part III, Chapter 3, of the Circular No. 285 dated 17 December 2013, as subsequently amended and supplemented, containing the "*Disposizioni di vigilanza per le banche*" (the "**Bank of Italy Regulations**").

#### (b) **Final Terms**

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

#### (c) **Covered Bond Guarantee**

Each Series of Covered Bonds is the subject of a guarantee dated 11 July 2013 (the "**Covered Bond Guarantee**") entered into by the Guarantor for the purpose of guaranteeing the payments due from the Issuer in respect of the Covered Bonds of all Series issued under the Programme and to the Other Issuer Creditors. The Covered Bond Guarantee will be collateralised by a cover pool constituted by certain assets assigned from time to time to the Guarantor pursuant to the relevant Master Loans Purchase Agreement (as defined below) and in accordance with the provisions of the Securitisation and Covered Bond Law, Decree No.

310 and the Bank of Italy Regulations.

(d) ***Programme Agreement and Subscription Agreement***

In respect of each Tranche of Covered Bonds issued under the Programme, the Relevant Dealer(s) (as defined below) has or have agreed to subscribe for the Covered Bonds and pay the Issuer the issue price specified in the Final Terms for the Covered Bonds on the Issue Date under the terms of a programme agreement dated 11 July 2013 (the "**Programme Agreement**") between the Issuer, the Guarantor, the Sellers, the Representative of the Covered Bondholders and the dealer(s) named therein (the "**Dealers**"), as supplemented (if applicable) by a subscription agreement entered into by the Issuer, the Guarantor and the Relevant Dealer(s) (as defined below) on or around the date of the relevant Final Terms (the "**Subscription Agreement**"). In the Programme Agreement, the Dealers have appointed Zenith Service S.p.A. as representative of the Covered Bondholders (in such capacity, the "**Representative of the Covered Bondholders**"), as described in Condition 12 (*Representative of the Covered Bondholders*) and pursuant to the Intercreditor Agreement (as defined below), the Programme Agreement and the relevant Final Terms of each Series of Covered Bonds.

(e) ***Monte Titoli Mandate Agreement***

In a mandate agreement with Monte Titoli S.p.A. ("**Monte Titoli**") (the "**Monte Titoli Mandate Agreement**"), Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Covered Bonds.

(f) ***Master Definitions Agreement***

In a master definitions agreement dated 11 July 2013 (the "**Master Definitions Agreement**") between certain of the parties to each of the Transaction Documents (as defined below), the definitions of certain terms used in the Transaction Documents have been agreed.

(g) ***The Covered Bonds***

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

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

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

(i) ***Summaries***

Certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions. Covered Bondholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents and the Rules of the Organisation of the Covered Bondholders applicable to them. Copies of

the Transaction Documents are available for inspection by the Covered Bondholders during normal business hours at the registered office of the Representative of the Covered Bondholders from time to time and, where applicable, at the Specified Offices of the Principal Paying Agent (as defined below).

## 2. Definitions and Interpretation

### (a) *Definitions*

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

"**Accounts**" means the CA Italia Collection Accounts, the CA Friuladria Collection Accounts, the Expenses Account, the Guarantor Payments Account, the Quota Capital Account, the Securities Accounts and the Reserve Fund Account and any other account opened in the context of the Programme, excluding any account opened in relation to the deposit of the amounts due under the Swap Agreements.

"**Account Bank**" means Crédit Agricole Italia, in its capacity as account bank, or any other depositary institution that may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report**" means the report to be delivered by the Account Bank in accordance with the provisions set forth under the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report Date**" means the date falling on the 10<sup>th</sup> Business Day of each month.

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

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

"**Agents**" means each of the Italian Account Bank, the Calculation Agent, the Cash Manager, the Principal Paying Agent and the Guarantor Corporate Servicer, and any other paying agent acceding to the Cash Allocation Management and Payments Agreement.

"**Amortisation Test**" means the tests which will be carried out pursuant to clause 3 (*Amortisation Test*) of the Cover Pool Management Agreement in order to ensure, *inter alia*, that, on each Calculation Date following the delivery of an Issuer Default Notice (but prior to the service of a Guarantor Default Notice), the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the principal amount of the issued Covered Bonds as calculated on the relevant Calculation Date.

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

"**Amortisation Test Outstanding Principal Balance**" the meaning ascribed to such term in clause 3.2 (*Amortisation Test Aggregate Loan Amount*) of the Cover Pool Management Agreement.

"**Arranger**" means Credit Agricole Corporate and Investment Bank.

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

"**Article 74 Event Cure Notice**" means the notice to be served by the Representative of the Covered Bondholders on the Guarantor pursuant to the Intercreditor Agreement upon the occurrence of an Article 74 Event.

"**Asset Monitor**" means BDO Italia S.p.A., acting in its capacity as asset monitor, or any other entity that may be appointed as such pursuant to the Asset Monitor Agreement.

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on or about the date hereof between, *inter alios*, the Asset Monitor and the Issuer.

"**Asset Swap Agreements**" means any asset swap agreement that may be entered into between the Guarantor and each Asset Swap Provider.

"**Asset Swap Provider**" means any entity acting as asset swap provider pursuant to the relevant Asset Swap Agreement.

"**Bank of Italy Regulations**" (*Regolamento della Banca d'Italia*) means the supervisory instructions of the Bank of Italy relating to covered bonds (*Obbligazioni Bancarie Garantite*) under Part III, Chapter 3, of the Circular No. 285 dated 17 December 2013, as subsequently amended and supplemented, containing the "*Disposizioni di vigilanza per le banche*".

"**Bankruptcy Law**" means Royal Decree No. 267 of 16 March 1942 as amended from time to time.

"**Base Prospectus**" or "**Prospectus**" means the Base Prospectus prepared in connection with the issue of the Covered Bonds and the establishment and any update of the Programme, as supplemented from time to time.

"**Beneficiaries**" means the Covered Bondholders and the Other Issuer's Creditors as beneficiaries of the Covered Bond Guarantee.

"**Business Day**" means:

- (i) in relation to any sum payable in Euro, a TARGET2 Settlement Day and a day on which commercial banks are open for business in Parma, Milan and Luxembourg and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in Luxembourg, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

"**Business Day Convention**", in relation to any particular date, has the meaning 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:

"**Following Business Day Convention**" means that the Relevant Date shall be postponed to the first following day that is a Business Day;

**"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;

**"Preceding Business Day Convention"** means that the Relevant Date shall be brought forward to the first preceding day that is a Business Day;

**"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

**"No Adjustment"** means that the Relevant Date shall not be adjusted in accordance with any Business Day Convention;

**"CA Friuladria Collection Accounts"** means jointly the CA Friuladria Interest Collection Account and the CA Friuladria Principal Collection Account.

**"CA Friuladria Interest Collection Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT55T0623012700000037030942, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"CA Friuladria Portfolios"** means the Initial CA Friuladria Portfolio and each New CA Friuladria Portfolio.

**"CA Friuladria Principal Collection Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT58R0623012700000037030841, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"CA Italia Collection Accounts"** means jointly the CA Italia Interest Collection Account and the CA Italia Principal Collection Account.

**"CA Italia Interest Collection Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT61P0623012700000037030740, or such other substitute account as may be opened in accordance with the Cash Allocation, Management

and Payments Agreement.

"**CA Italia Portfolios**" means the Initial CA Italia Portfolio and each New CA Italia Portfolio transferred by CA Italia and by Crédit Agricole Carispezia S.p.A., subsequently merged into CA Italia, to the Guarantor pursuant to the relevant Master Loans Purchase Agreement.

"**CA Italia Principal Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT96V0623012700000037030639, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Calculation Agent**" means Crédit Agricole Corporate and Investment Bank, Milan Branch, acting as calculation agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Calculation Date**" means (i) the date falling on the 7<sup>th</sup> Business Day following each Quarterly Master Servicer Report Date, or (ii) in respect of the Statutory Test Verification and the Amortisation Test Verification, any other date on which such verifications are made pursuant to clause 4.3 of the Asset Monitor Agreement.

"**Calculation Period**" means each monthly period starting on a Calculation Date (included) and ending on the following Calculation Date (excluded).

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the date hereof between, *inter alios*, the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Calculation Agent and the Account Bank.

"**Cash Manager**" means Crédit Agricole Italia S.p.A., acting as cash manager or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Clearstream**" means Clearstream Banking, société anonyme, Luxembourg.

"**Collateral Security**" means any security (including any loan mortgage insurance in respect of the Mortgage Loan and excluding Mortgages) granted to any Seller by any Debtor in order to guarantee or secure the payment and/or repayment of any amounts due under the relevant Mortgages Loan Agreements.

"**Collection Accounts**" means, collectively, the CA Italia Collection Accounts and the CA Friuladria Collection Accounts.

"**Collections**" means all amounts received or recovered by the Master Servicer and/or the Sub-Servicer in respect of the assets comprised in the Cover Pool.

"**Collection Date**" means the date falling on the last calendar day of March, June, September and December of each year. The first Collection Date falls on 31 December 2013.

"**Collection Period**" means each period, commencing on (and excluding) a Collection Date and ending on (but including) the immediately following Collection Date, and, in respect of the first Collection Period, the period from (and including) the Transfer Date of the transfer of the Initial Portfolio to (and including) the next following Collection Date.



**"Commingling Amount"** means an amount calculated quarterly by the Issuer (or the Master Servicer, as the case may be) equal to the expected aggregate amount of principal monthly collections and recoveries calculated in respect of the next following 1 month and considering a 5% constant prepayment ratio per annum, or any other higher amount designated as such by the Issuer (or the Master Servicer, as the case may be) and notified to the Rating Agency.

**"Conditions"** means this terms and conditions of the Covered Bonds and **"Condition"** means a clause of them.

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

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

**"Corporate Services Agreement"** means the corporate services agreement entered into on or about the date hereof, between the Guarantor and the Guarantor Corporate Servicer;

**"Cover Pool"** means the cover pool constituted by assets held by the Guarantor in accordance with the provisions of the Securitisation and Covered Bond Law, the Decree No. 310 and the Bank of Italy Regulations.

**"Cover Pool Management Agreement"** means the cover pool management agreement entered into, on or about the date hereof between, *inter alios*, the Issuer, the Guarantor, the Sellers, the Calculation Agent, the Asset Monitor and the Representative of the Covered Bondholders;

**"Covered Bonds"** means any and all the covered bonds (*obbligazioni bancarie garantite*) issued or to be issued by the Issuer pursuant to the terms and subject to the conditions of the Programme Agreement.

**"Covered Bond Guarantee"** means the guarantee issued by the Guarantor for the purpose of guaranteeing the payments due by the Issuer to the Covered Bondholders and the Other Issuer's Creditors, in accordance with the provisions of the Securitisation and Covered Bond Law, Decree No. 310 and the Bank of Italy Regulations.

**"Covered Bond Calculation Agent"** means the Principal Paying Agent or such other Person as may be specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms (including any successor Covered Bond calculation agent appointed);

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

**"CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended and supplemented from time to time.

**"Crédit Agricole Italia"** means Crédit Agricole Italia S.p.A. in its capacity as Issuer under the Programme.

**"Crédit Agricole Italia Banking Group"** means a banking group whose structure includes Crédit Agricole Italia as parent company and, as the date hereof, CA Friuladria.

**"Credit and Collection Policy"** means the procedures for the management, collection and recovery of Receivables attached as Schedule 1 (*Procedura di Riscossione*) to the Master Servicing

Agreement.

"**Dealers**" means Crédit Agricole Corporate and Investment Bank, a bank incorporated under the laws of France having its registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex (France), enrolment with the companies register of Nanterre (*Registre Commerciale et des Sociétés de Nanterre*) under no. Siren 304 187 701, and any other entity which may be nominated as such by the Issuer upon execution of a letter in the terms or substantially in the terms set out in Schedule 6 (*Form of Dealer Accession Letter*) to the Programme Agreement.

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

- (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:
    - 1. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
    - 2. 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 (b) 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:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- "D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

- "Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the

	Calculation Period falls;
"Y <sub>2</sub> "	is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
"M <sub>1</sub> "	is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
"M <sub>2</sub> "	is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
"D <sub>1</sub> "	is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D <sub>1</sub> will be 30; and
"D <sub>2</sub> "	is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D <sub>2</sub> will be 30,

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

"**Debtor**" means any borrower and any other person, other than a Mortgagor, who entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan, as a consequence, *inter alia*, of having granted any Collateral Security or having assumed the borrower's obligation pursuant to a Mortgage Loan Agreement under an *accollo*, or otherwise.

"**Decree No. 239**" means Italian Legislative Decree number 239 of 1 April 1996;

"**Decree No. 310**" means the ministerial decree No. 310 of 14 December 2006 issued by the Ministry of the Economy and Finance.

"**Deed of Charge**" means the English law deed of charge that may be entered into between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors);

"**Deed of Pledge**" means the Italian law deed of pledge entered into, on or about the date hereof, between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors).

"**Defaulted Loans**" means any Mortgage Loan in relation to which there are 1 (one) or more Defaulted Receivables.

"**Defaulted Receivable**" means any Receivable arising from Mortgage Loan Agreements included in the Cover Pool which has been classified as "*attività finanziarie deteriorate*" pursuant to the Circular of the Bank of Italy No. 272 of 30 July 2008 containing the "Matrice dei Conti", as subsequently amended and supplemented and the Credit and Collection Policy.

"**Defaulting Party**" has the meaning ascribed to that term in the relevant Swap Agreement.

**“Delinquent Loan”** means any Mortgage Loan in relation to which there are 1 (one) or more Delinquent Receivables.

**“Delinquent Receivable”** any Receivable arising from Mortgage Loan Agreements included in the Cover Pool in respect of which there are 1 (one) or more Instalments due and not paid by the relevant Debtor and which has not been classified as Defaulted Receivable.

**“Determination Date”** has the meaning given to it in the applicable Final Terms.

**“Earliest Maturing Covered Bonds”** means, at any time, the Series of Covered Bonds that has or have the earliest Maturity Date (if the relevant Series of Covered Bonds is not subject to an Extended Maturity Date) or Extended Maturity Date (if the relevant Series of Covered Bonds is subject to an Extended Maturity Date) as specified in the relevant Final Terms.

**“Early Redemption Amount (Tax)”** means, in respect of any Series of Covered Bonds, the principal amount of such Series;

**“Early Termination Amount”** means, in respect of any Series of Covered Bonds, the principal amount of such Series.

**“Eligible Assets”** means the following assets contemplated under article 2, sub-paragraph 1, of Decree No. 310:

- (i) the Residential Mortgage Loans;
- (ii) the Public Entity Receivables; and
- (iii) the Public Entity Securities.

**“Eligible Cover Pool”** means the aggregate amount of Eligible Assets and Top-up Assets (including any sum standing to the credit of the Accounts) included in the Cover Pool provided that (i) any Defaulted Receivable and those Eligible Assets and Top-up Assets for which a breach of the representations and warranties granted under each Warranty and Indemnity Agreement has occurred and has not been remedied will not be considered for the purpose of the calculation and (ii) any Mortgage Loan in respect of which the LTV on the basis of the Latest Valuation exceed the percentage limit set forth under Article 2, para. 1, of the Decree No. 310, will be calculated up to an amount of principal which – taking into account the market value of the relevant Real Estate Asset – allows the compliance with such percentage limit.

**“Eligible Institution”** means any bank organised under the laws of any country which is a member of the European Union or of the United States (to the extent that United States are a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach)

- (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least “Baa3” by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time), or
- (ii) which is guaranteed (in compliance with the relevant criteria of Moody's on the guarantee) by an entity whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least “Baa3” by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time),

*provided however that any such bank qualifies for the “credit quality step 1” pursuant to Article*

129, let. (c) of the CRR unless (a) it is an entity in the European Union and (b) the exposure *vis-à-vis* such entity has a maturity not exceeding 100 days, because in such case it may qualify for “credit quality step 2” pursuant to Article 129, let. (c) of the CRR.

“**Eligible Investment**” means any Eligible Assets or Top-up Assets consisting of Euro denominated securities, reserve accounts, deposit accounts or other similar accounts that provide direct liquidity and/or credit enhancement which have at least the following ratings:

- (a) with respect to investments having a maturity not exceeding 30 calendar days, “Baa3” or “P-3” by Moody’s (or such other rating which may be compliant with the criteria of Moody’s from time to time);
- (b) with respect to investments having a maturity higher than 30 calendar days but not exceeding 90 calendar days, “Baa3” or “P-3” by Moody’s (or such other rating which may be compliant with the criteria of Moody’s from time to time); or
- (c) with respect to investments having a maturity higher than 90 calendar days but not exceeding 180 calendar days, “Baa2” or “P-2” by Moody’s (or such other rating which may be compliant with the criteria of Moody’s from time to time), in each case provided that any such investments,
- (d) in each case provided that any such investments (i) have a maturity date falling on or before the Eligible Investments Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; (iii) in the event of downgrade below the rating allowed under this definition, the securities shall be sold, if it could be achieved without a loss, or otherwise shall be allowed to mature and (iv) the relevant exposure qualifies for the “credit quality step 1” pursuant to Article 129, let. (c) of the CRR or, in case of exposure *vis-à-vis* an entity in the European Union which has a maturity not exceeding 100 days, it may qualify for “credit quality step 2” pursuant to Article 129, let. (c) of the CRR.

“**Eligible Investments Maturity Date**” means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the date falling 2 (two) Business Days prior to the immediately following Guarantor Payment Date.”

“**Eonia**” means the euro overnight index average (EONIA) as calculated and published by the European Central Bank.

“**EU Insolvency Regulation**” means Council Regulation (EC) No. 1346/2000 of 29 May 2000, as amended from time to time.

“**EU Stabilisation Regulation**” means Council Regulation (EC) No. 2273/2003 of 22 December 2003, as amended from time to time.

“**EU Directive on the Reorganisation and Winding up of Credit Institutions**” means Directive 2001/2/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions, as amended from time to time.

“**EURIBOR**” means (i) the Euro-Zone Inter-Bank offered rate for Euro deposits, as determined from time to time pursuant to the Transaction Documents, or (ii) if such rate is unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to

Condition 6 (j) (*Fallback Provisions*).

“**Euro**”, “**€**” and “**EUR**” refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the treaty establishing the European Community.

“**Euroclear**” means Euroclear Bank S.A./N.V., with offices at 1 Boulevard du Roi Albert II, B-1210 Bruxelles.

“**European Economic Area**” means the region comprised of member states of the European Union which adopt the Euro in accordance with the Treaty.

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

“**Expenses Account**” means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT38S062301270000037051352, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

“**Expiry Date**” means the date falling 1 (one) year and 1 (one) day after the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their terms and conditions.

“**Extended Maturity Date**” means the date on which final redemption payments in relation to a specific Series of Covered Bonds becomes due and payable pursuant to the extension of the relevant Maturity Date in accordance with the relevant Final Terms.

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

“**Extraordinary Resolution**” has the meaning ascribed to such term in the Rules of Organisation of the Covered Bondholders attached to these Conditions.

“**Facility**” means the facility to be granted by each Subordinated Lender pursuant to the terms of Clause 2 (*Il Finanziamento*) of the relevant Subordinated Loan Agreement.

“**Final Maturity Date**” means the date on which all the Series of Covered Bond are redeemed in full or cancelled.

“**Final Redemption Amount**” means, in respect of any Series of Covered Bonds, the principal amount of such Series.

“**Final Terms**” means, in relation to any issue of any Series of Covered Bonds, the relevant terms contained in the applicable Transaction Documents and, in case of any Series of Covered Bonds to be admitted to listing, the final terms submitted to the appropriate listing authority on or before the Issue Date of the applicable Series of Covered Bonds.

“**Financial Law Consolidation Act**” means Legislative Decree number 58 of 24 February 1998 as amended from time to time.

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

**"First Issue Date"** means the date of issuance of the first Series of Covered Bonds.

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms.

**"Guaranteed Amounts"** means the amounts due from time to time from the Issuer to (i) the Covered Bondholders with respect to each Series of Covered Bonds (excluding any additional amounts payable to the Covered Bondholders under Condition 9(a) (*Gross-up by the Issuer*)) and (ii) the Other Issuer Creditors pursuant to the relevant Transaction Documents.

**"Guaranteed Obligations"** means the Issuer's payments obligations with respect to the Guaranteed Amounts.

**"Guarantee Priority of Payments"** means the order of priority pursuant to which the Guarantor Available Funds shall be applied, on each Guarantor Payment Date following the delivery of an Issuer Default Notice, but prior to the delivery of a Guarantor Default Notice, in accordance with the terms of the Intercreditor Agreement.

**"Guarantor"** means Crédit Agricole Italia OBG S.r.l., acting in its capacity as guarantor pursuant to the Covered Bond Guarantee.

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

**"Guarantor Corporate Servicer"** means Zenith Service S.p.A. acting in its capacity as corporate servicer of the Guarantor pursuant to the Corporate Services Agreement.

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

**"Guarantor Event of Default"** has the meaning given to it in Condition 10(c) (*Guarantor Events of Default*).

**"Guarantor Payment Date"** means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 10<sup>th</sup> day of February, May, August and November of each year or, if such day is not a Business Day, the immediately following Business Day, provided that the first Guarantor Payment Date will be 10 February 2014; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Covered Bondholders in accordance with the Post-Enforcement Priority of Payments, the relevant Final Terms and the Intercreditor Agreement.

**"Guarantor Payment Period"** means the period commencing on (and including) a Guarantor Payment Date and ending on (but excluding) the immediately following Guarantor Payment Date, and, in respect of the first Guarantor Payment Date, the period from (and including) the Transfer Date of the Initial Portfolio to (but excluding) the next following Guarantor Payment Date.

**"Guarantor Payments Account"** means the euro denominated account established in the name of the Guarantor and held with the Account Bank, IBAN IT0200623012700000037031245 or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Initial CA Friuladria Portfolio"** means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from CA Friuladria pursuant to the relevant Master Loans



Purchase Agreement.

“**Initial CA Italia Portfolio**” means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from Crédit Agricole Italia pursuant to the relevant Master Loans Purchase Agreement.

“**Initial Portfolio**” means the Initial CA Italia Portfolio or the Initial CA Friuladria Portfolio as the case may be.

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

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

analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**“Insolvency Official”** means the official receiver appointed in the context of any insolvency procedure which may be opened following the occurrence of an Insolvency Event.

**“Instalment”** means with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

**“Insurance Companies”** means the companies with whom the Insurance Policies are held.

**“Insurance Policies”** means the insurance policies taken out with the Insurance Companies in relation to each Real Estate Asset and each Mortgage Loan.

**“Intercreditor Agreement”** means the intercreditor agreement entered into, on or about the date hereof between the Guarantor and the Other Creditors.

**“Interest Amount”** means, in relation to any Series of Covered Bonds and an Interest Period, the amount of interest payable in respect of that Series for that Interest Period.

**“Interest Available Funds”** means, in respect of any Calculation Date, the aggregate of:

- (b) interest collected by the Master Servicer or the Sub-Servicer in respect of the Cover Pool (other than the interests due and taken into account for the purpose of the Individual Purchase Price of each Receivable) and credited into the Interest Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (c) all recoveries in the nature of interest and fees received by the Master Servicer or the Sub-Servicer and credited to the Interest Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (d) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the Collection Period preceding the relevant Calculation Date;
- (e) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider other than any Swap Collateral Excluded Amounts;
- (f) all interest amounts received from any Seller by the Guarantor pursuant to the relevant Master Loans Purchase Agreement;
- (g) (a) prior to the delivery of an Issuer Default Notice, an amount equal to the Release Reserve Amount or (b) after the delivery of an Issuer Default Notice, the Reserve Fund Amount, standing to the credit of the Reserve Fund Account;
- (h) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (i) any amounts (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

**“Interest Collections”** means all the collections, other than the Principal Collections, realised in respect of Eligible Assets and Top-Up Assets transferred to the Guarantor.

**“Interest Commencement Date”** means the Issue Date of the Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

**“Interest Coverage Test”** has the meaning ascribed to such term in clause 2.5 (*Interest Coverage*

*Test*) of the Cover Pool Management Agreement.

**"Interest Collection Accounts"** means jointly the CA Italia Interest Collection Account and the CA Friuladria Interest Collection Account.

**"Interest Determination Date"** has the meaning given in the relevant Final Terms.

**"Interest Instalment"** means the interest component of each Instalment.

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

**"Investor Report Date"** means the date falling on the 7th Business Day following each Servicer Report Date.

**"Investor Report"** has the meaning ascribed to such expression in the Cash Management and Agency Agreement.

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

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

**"Issue Date"** has the meaning ascribed to such term, with respect to each Series of Covered Bonds, in the relevant Final Terms.

**"Issuer"** means Crédit Agricole Italia, acting in its capacity as issuer pursuant to the Programme Agreement.

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

**"Issuer Event of Default"** has the meaning given to it in Condition 10(a) (*Issuer Events of Default*).

**"Liability Swap Agreements"** means the swap agreements that may be entered into on or about each Issue Date between the Guarantor and a liability swap provider.

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

**"Listing Agent"** means CACEIS Bank Luxembourg.

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

"LTV" means, with respect to a Mortgage Loan, the Loan-to-Value ratio, determined as the ratio between the value of a Real Estate Asset and the value of the relevant Mortgage Loan as calculated in accordance with the applicable Prudential Regulations.

"Mandate Agreement" means the mandate agreement entered into, on or about the date hereof between the Representative of the Covered Bondholders and the Guarantor.

"Margin" has the meaning given in the relevant Final Terms.

"Master Loans Purchase Agreement" means each master loans purchase agreement entered into on 20 May 2013 between the Guarantor and each Seller.

"Master Servicer" means Crédit Agricole Italia in its capacity as master servicer pursuant to the Master Servicing Agreement.

"Master Servicer Monthly Report" means the monthly report to be prepared in accordance with the provisions of the Master Servicing Agreement by the Master Servicer on each Master Servicer Monthly Report Date, containing details about Collections made during the relevant Collection Period, and delivered by the Master Servicer to, *inter alia*, the Guarantor and the Asset Monitor.

"Master Servicer Monthly Report Date" means, in case of breach of Tests pursuant to the Cover Pool Management Agreement, (a) prior to the delivery a Guarantor Default Notice, the date falling on the 10<sup>th</sup> (tenth) Business Day of each month, and (b) following the delivery of a Guarantor Default Notice, such date as may be indicated by the Representative of the Covered Bondholders

"Master Servicer Quarterly Report" means the quarterly report to be prepared and delivered by the Master Servicer in accordance with the provisions of the Master Servicing Agreement, by each Master Servicer Quarterly Report Date, containing details in relation to Collections made during the relevant Collection Period, and delivered by the Master Servicer to, *inter alia*, the Guarantor and the Asset Monitor.

"Master Servicer Quarterly Report Date" means, starting from January 2014 (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 10<sup>th</sup> Business Day following each Collection Date, and (b) following the delivery of a Guarantor Default Notice, such date as may be indicated by the Representative of the Covered Bondholders

"Master Servicer's Reports" means, collectively, the Master Servicer Monthly Report and the Master Servicer Quarterly Report.

"Master Servicer Termination Event" means any of the events set out under clause 8.1.1 of each Master Servicing Agreement, which allows the Guarantor to terminate the Master Servicer's appointment and to appoint a Substitute Master Servicer pursuant to the Master Servicing Agreement.

"Master Servicing Agreement" means the master servicing agreement entered into on 20 May 2013 between the Guarantor, the Issuer and the Master Servicer.

"Maturity Date" means each date on which final redemption payments for a Series of Covered Bonds become due in accordance with the Final Terms but subject to it being extended to the Extended Maturity Date.

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms.

"Member State" means a member State of the European Union.

**“Minimum Redemption Amount”** has the meaning given in the relevant Final Terms.

**“Monte Titoli Account Holders”** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with Article 83-*quater* of the Financial Law Consolidated Act.

**“Monte Titoli Mandate Agreement”** means the agreement entered into on or about the First Issue Date between the Issuer and Monte Titoli.

**“Mortgage Loan Agreement”** means any Residential Mortgage Loan Agreement out of which the Receivables arise.

**“Mortgage Loan”** means a Residential Mortgage Loan.

**“Mortgages”** means the mortgage security interests (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables.

**“Mortgagor”** means any person, either a borrower or a third party, who has granted a Mortgage in favour of a Seller to secure the payment or repayment of any amounts payable in respect of a Mortgage Loan, and/or his/her successor in interest.

**“Negative Carry Factor”** means 0 (zero) or such other percentage provided by the Issuer on behalf of the Guarantor and notified to the Representative of the Covered Bondholders, to the Master Servicer and to the Calculation Agent.

**“Net Present Value Test”** has the meaning ascribed to such term in clause 2.2.2 (*Net Present Value Test*) of the Cover Pool Management Agreement.

**“Net Present Value”** has the meaning ascribed to such term in clause 2.4 (*Net Present Value Test*) of the Cover Pool Management Agreement.

**“New CA Italia Portfolio”** means any portfolio of Receivables (other than the Initial CA Italia Portfolio), comprising Eligible Assets and Top-Up Assets, which may be purchased by the Guarantor from Crédit Agricole Italia pursuant to the terms and subject to the conditions of the relevant Master Loans Purchase Agreement.

**“New CA Friuladria Portfolio”** means any portfolio of Receivables (other than the Initial CA Friuladria Portfolio), comprising Eligible Assets and Top-Up Assets, which may be purchased by the Guarantor from CA Friuladria pursuant to the terms and subject to the conditions of the relevant Master Loans Purchase Agreement.

**“New Portfolio”** means a New CA Italia Portfolio or a New CA Friuladria Portfolio as the case may be.

**“Nominal Value”** has the meaning ascribed to such term in clause 2.3.1 (*Nominal Value*) of the Cover Pool Management Agreement.

**“Nominal Value Test”** has the meaning ascribed to such term in clause 2.2.1 of the Cover Pool Management Agreement.

**“Obligations”** means all the obligations of the Guarantor created by or arising under the Transaction Documents.

**“Offer Date”** means, with respect to each New Portfolio, the date falling 5 (five) Business Days prior to each Transfer Date, pursuant to clause 3.1 (*Offerta*) of the relevant Master Loans Purchase

Agreement.

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

"**Optional Redemption Amount (Call)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series.

"**Optional Redemption Amount (Put)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series.

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms.

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms.

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

"**Other Creditors**" means the Issuer, the Sellers, the Subordinated Lenders, the Master Servicer, the Sub-Servicer, the Representative of the Covered Bondholders, the Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager, the Asset Monitor, each Asset Swap Provider (if any), the Portfolio Manager (if any) and any other creditors which may, from time to time, be identified as such in the context of the Programme.

"**Other Issuer's Creditors**" means the Principal Paying Agent, any Liability Swap Provider, the Asset Monitor and any other Issuer's creditors which may, from time to time, be identified as such in the context of the Programme.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the sum of all (i) Principal Instalments due but unpaid at such date; and (ii) the Principal Instalments not yet due at such date.

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

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

"**Outstanding Principal Balance**" means, on any date, in relation to a loan, a bond or any other asset included in the Cover Pool, the aggregate nominal principal amount outstanding of such loan, bond or asset at such date.

"**Paying Agent**" means the Principal Paying Agent and each other paying agent appointed from time to time under the terms of the Cash Allocation, Management and Payments Agreement.

"**Payment Business Day**" means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies

and any day which is:

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

**"Payments Report"** means the report to be prepared and delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement on the second Business Day prior to each Guarantor Payment Date with respect to the immediately preceding Collection Period.

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

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

**"Portfolio"** means, in respect of each Seller, collectively, the Initial Portfolios and any New Portfolio which has been purchased and will be purchased by the Guarantor pursuant to the relevant Master Loans Purchase Agreement.

**"Portfolio Manager"** means the entity appointed as such in accordance with clause 5.6 (*Portfolio Manager*) of the Cover Pool Management Agreement.

**"Post-Enforcement Priority of Payments"** means the order of priority pursuant to which the Guarantor Available Funds shall be applied on each Guarantor Payment Date, following the delivery of a Guarantor Default Notice, in accordance with the Intercreditor Agreement.

**"Post Default Notice Report"** means the report setting out all the payments to be made on the following Guarantor Payment Date under the Post-Enforcement Priority of Payments which, following the occurrence of a Guarantor Event of Default and the delivery of a Guarantor Default Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**"Pre-Issuer Event of Default Interest Priority of Payments"** means the order of priority pursuant to which the Interest Available Funds shall be applied on each Guarantor Payment Date, prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

**"Pre-Issuer Event of Default Principal Priority of Payments"** means the order of priority pursuant to which the Principal Available Funds shall be applied on each Guarantor Payment Date, prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

**"Premium"** means the premium payable by the Guarantor to each Seller in accordance with the relevant Subordinated Loan Agreement, as determined thereunder.

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

- (j) all principal amounts (and any interest amount taken into account for the purpose of the Individual Purchase Price of each Receivable) collected by the Master Servicer or the Sub-Servicer in respect of the Cover Pool and credited to the Principal Collection

- Accounts net of the amounts applied to purchase Eligible Assets and Top-Up Assets during the Collection Period preceding the relevant Calculation Date;
- (k) all other recoveries in the nature of principal received by the Master Servicer or the Sub-Servicer and credited to the Principal Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (l) all principal amounts received from each Seller by the Guarantor pursuant to the relevant Master Loans Purchase Agreement;
- (m) the proceeds of any disposal of Eligible Assets and any disinvestment of Top-Up Assets;
- (n) where applicable, any swap principal payable under the Swap Agreements other than any Swap Collateral Excluded Amounts; and
- (o) all the amounts allocated pursuant to item Sixth of the Pre-Issuer Event of Default Interest Priority of Payments.

**"Principal Collections"** means all the principal collections realised in respect of Eligible Assets and Top-Up Assets transferred to the Guarantor.

**"Principal Collection Accounts"** means jointly the CA Italia Principal Collection Account and the CA Friuladria Principal Collection Account.

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

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

**"Principal Instalment"** means the principal component of each Instalment.

**"Principal Paying Agent"** means, until the delivery of an Issuer Default Notice, Crédit Agricole Italia S.p.A. and, subsequently, Crédit Agricole Corporate and Investment Bank, Milan Branch, each of them acting in its capacity as principal paying agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Priority of Payments"** means each of the Pre-Issuer Event of Default Interest Priority of Payments, the Pre-Issuer Event of Default Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments.

**"Privacy Law"** means the Italian Legislative Decree No. 196 of 30 June 2003, as subsequently amended, modified or supplemented, together with any relevant implementing regulations as integrated from time to time by the *Autorità Garante per la Protezione dei Dati Personali*.

**"Programme"** means the programme for the issuance of each Series of Covered Bonds (*obbligazioni bancarie garantite*) by the Issuer in accordance with article 7-*bis* of the Securitisation and Covered Bond Law.

**"Programme Agreement"** means the programme agreement entered into on or about the date



hereof between, *inter alios*, the Guarantor, the Sellers, the Issuer, the Representative of the Covered Bondholders and the Dealers.

**"Programme Amount"** means € 16,000,000,000.

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

**"Prospectus Regulation"** means Regulation (EU) 2017/1129, as amended from time to time.

**"Prudential Regulations"** means the prudential regulations for banks issued by the Bank of Italy on 17 December 2013 with Circular No. 285 (*Disposizioni di vigilanza per le banche*), as amended from time to time.

**"Public Entities"** means:

- (i) public entities, including ministerial bodies and local or regional bodies, located within the European Economic Area or Switzerland for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for banks — standardised approach;
- (ii) public entities, located outside the European Economic Area or Switzerland, for which 0 (zero) per cent. risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach– or regional or local public entities or non-economic administrative entities, located outside the European Economic Area or Switzerland, for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for banks — standardised approach.

**"Public Entity Receivables"** means, pursuant to article 2, sub-paragraph 1, of Decree No. 310, any receivables owed by, or receivables which have been benefit of a guarantee eligible for credit risk mitigation granted by, Public Entities.

**"Public Entity Securities"** means pursuant to article 2, sub-paragraph 1, of Decree No. 310, any securities issued by, or which have benefit of a guarantee eligible for credit risk mitigation granted by, Public Entities.

**"Purchase Price"** means, in relation to the Initial Portfolio and each New Portfolio transferred by a Seller, the consideration paid by the Guarantor to such Seller for the transfer thereof, calculated in accordance with the relevant Master Loans Purchase Agreement.

**"Put Option Notice"** means a notice of exercise relating to the put option contained in Condition 7(f) (*Redemption at the option of the Covered Bondholders*), substantially in the form set out in Schedule 6 to the Cash Allocation, Management and Payments Agreement, or such other form which may, from time to time, be agreed between the Issuer and the Principal Paying Agent.

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

**"Quotaholders' Agreement"** means the agreement entered into, on or about the date hereof between Crédit Agricole Italia, Stichting Pavia, the Guarantor and the Representative of the Covered Bondholders.

**"Quota Capital"** means the quota capital of the Guarantor, equal to Euro 10,000.00.

**"Quota Capital Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT55K0503501600225570545225, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Quotaholders"** means Crédit Agricole Italia and Stichting Pavia.

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

**"Rating Agency"** means (i) Moody's Investors Service España S.A. and any of its successors or assignees, and (ii) any other rating agency which may be selected from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, to the extent that any of them at the relevant time provides ratings in respect of any Series of Covered Bonds.

**"Real Estate Assets"** means the real estate properties which have been mortgaged in order to secure the Receivables and each of them the **"Real Estate Asset"**.

**"Receivables"** means each and every right arising under the Mortgage Loans pursuant to the Mortgage Loan Agreements, including but not limited to:

- (i) all rights in relation to all Outstanding Principal of the Mortgage Loans as at the relevant Transfer Date;
- (ii) all rights in relation to interest (including default interest) amounts which will accrue on the Mortgage Loans as from the relevant Transfer Date;
- (iii) all rights in relation to the reimbursement of expenses and in relation to any losses, costs, indemnities and damages and any other amount due to each Seller in relation to the Mortgage Loans, the Mortgage Loan Agreements, including penalties and any other amount due to each Seller in the case of prepayments of the Mortgage Loans, and to the warranties and insurance related thereto, including the rights in relation to the reimbursement of legal, judicial and other possible expenses incurred in connection with the collection and recovery of all amounts due in relation to the Mortgage Loans up to and as from the relevant Transfer Date;
- (iv) all rights in relation to any amount paid pursuant to any Insurance Policy or guarantee in respect of the Mortgage Loans of which each Seller is the beneficiary or is entitled pursuant to any liens (*vincoli*);
- (v) all of the above together with the Mortgages and any other security interests (*garanzie reali o garanzie personali*) assignable as a result of the assignment of the Receivables (except for the *fidejussioni omnibus* which have not been granted exclusively in relation to or in connection with the Mortgage Loans), including any other guarantee granted in favour of the Sellers in connection with the Mortgage Loans or the Mortgage Loan Agreements and the Receivables.

**"Receiver"** means any receiver, manager or administrative receiver appointed in accordance with clause 9 (*Appointment of Receiver*) of the Deed of Charge.

**"Records"** means the records prepared pursuant to clause 10.1 (*Duty to maintain Records*) of the Cash Allocation, Management and Payments Agreement.

**"Recoveries"** means any amounts received or recovered by the Master Servicer, or by the Sub-Servicer in accordance with the terms of the Master Servicing Agreement, in relation to any Defaulted Receivable and any Delinquent Receivable.

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

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Covered Bond Calculation 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 Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Release Reserve Amount"** means, on each Guarantor Payment Date, an amount, as calculated by the Calculation Agent on or prior to each Calculation Date, equal to the portion of the balance of the Reserve Fund Account corresponding to the interest paid by the Issuer on all outstanding Series of Covered Bonds, on each Interest Payment Date falling during the immediately preceding Guarantor Payment Period.

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

**"Relevant 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 Principal 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 Covered Bondholders.

**"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 Guarantor for the issue by the Issuer and the subscription by such Dealer(s) of such Tranche pursuant to the Programme Agreement.

**"Relevant Portfolio"** means, in respect of each Asset Swap Agreement, the Portfolio transferred to the Guarantor by the Asset Swap Provider which is party thereto.

**"Relevant Portfolio Test"** means the test that the Calculation Agent will perform on each Calculation Date in the same manner as the Nominal Value Test, with respect to the Portfolio transferred by each relevant Seller.

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

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

**"Relevant Time"** has the meaning given in the relevant Final Terms.

**"Representative of the Covered Bondholders"** means Zenith Service S.p.A., acting in its capacity as representative of the Covered Bondholders pursuant to the Intercreditor Agreement, the Programme Agreement, the Conditions and the Final Terms of each Series of Covered Bonds.

**"Reserve Fund Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT41Q623012700000037051251, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Reserve Fund Amount"** means, on each Guarantor Payment Date, an amount, as calculated by the Calculation Agent on or prior to each Calculation Date, equal to:

- (i) interest accruing in respect of all outstanding Series of Covered Bonds during the immediately following Guarantor Payment Period (such that, if Liability Swap Agreements are in place for a Series of Covered Bonds, such interest amounts accruing will be the higher of the amount due to the Liability Swap Provider or the amount due to the Covered Bondholders of such Series, and if Liability Swap Agreements are not in place for a Series of Covered Bonds, such interest amounts accruing will be the amount due to the Covered Bondholders of such Series) provided that on each Calculation Date immediately preceding each Interest Payment Date, the Reserve Fund Amount will be calculated on the basis of the Euribor determined on the immediately preceding Interest Determination Date, *plus* with reference to the first Guarantor Payment Date following the Issue Date of any Series of Covered Bonds, interest accruing in respect of such Series of Covered Bonds

from the Issue date to such Guarantor Payment Date, *plus*

- (ii) the aggregate amount to be paid by the Guarantor on the immediately following Guarantor Payment Date in respect of the Senior Liabilities.

**"Residential Mortgage Loan"** means "*crediti ipotecari residenziali*" – as defined under article 1, sub-paragraph 1, letter (b) of Decree No. 310, having the features set forth under article 2, sub-paragraph 1, letter (a) of Decree No. 310.

**"Residential Mortgage Loan Agreement"** means any residential mortgage loan agreement out of which Receivables arise.

**"Rules of the Organisation of the Covered Bondholders"** or "**Rules**" means the rules of the Organisation of the Covered Bondholders attached as exhibit to the Conditions of the Covered Bonds.

**"Security"** means the security created pursuant to the Deeds of Pledge and the Deed of Charge if any.

**"Securities Accounts"** means the accounts opened in the name of the Guarantor with the Account Bank or any other Eligible Institution, upon purchase by the Guarantor from any Seller of, or investment of the monies standing to the credit of the Collections Accounts and the Reserve Fund Account into, Eligible Assets and/or Top-Up Assets represented by bonds, debentures, notes or other financial instruments in book entry form in accordance with and subject to the conditions of the Cash Allocation, Payments and Management Agreement.

**"Securities Act"** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**"Securitisation and Covered Bond Law"** means Italian Law No. 130 of 30 April 1999 as amended from time to time.

**"Security Interest"** means:

- (a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge or any sum owed or payable to any person; or
- (c) any other type or preferential arrangement having a similar effect.

**"Security"** means the security created pursuant to the Deeds of Pledge, the Luxembourg Deed of Pledge and the Deed of Charge (if any).

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

**"Senior Liabilities"** means

- (i) on any Guarantor Payment Date prior to the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from *First* to *Third* of the Pre-Issuer Event of Default Interest Priority of Payments, as provided for in the relevant Payments Report;

- (ii) on any Guarantor Payment Date following the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from *First to Third* of the Guarantee Priority of Payments, as provided for in the relevant Payments Report.

**"Series"** or **"Series of Covered Bonds"** means each series of Covered Bonds issued in the context of the Programme.

**"Sole Affected Party"** means an Affected Party as defined in the relevant Swap Agreement which at the relevant time is the only Affected Party under such Swap Agreement.

**"Specified Currency"** has the meaning given in the relevant Final Terms.

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

**"Specified Office"** means, in relation to the Principal Paying Agent its Italian branch at via Università, 1, Parma 43121, Italy, with respect to the Guarantor Corporate Servicer and the Representative of the Covered Bondholders, Via V. Betteloni 2, 20131 Milan, with respect to the Calculation Agent, Piazza Cavour, no 2, 2012, Milan.

**"Specified Period"** has the meaning given in the relevant Final Terms.

**"Stabilisation Manager"** means each Dealer or any other person acting in such capacity in accordance with the terms of the Programme Agreement.

**"Statutory Tests"** means such tests provided for under article 3 of Decree No. 310 and namely: (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test, as further defined under clause 2 (*Statutory Test*) of the Cover Pool Management Agreement.

**"Stichting Pavia"** means Stichting Pavia, a foundation incorporated under the laws of the Netherlands, having its registered office at Prins Bernhardplein 200 1097 JB Amsterdam, The Netherlands, enrolled with the Trade Register of the Chamber of Commerce under No. 34344630.

**"Stock Exchange"** means the Luxembourg Stock Exchange.

**"Statutory Tests"** means such tests provided for under article 3 of Decree No. 310 and namely: (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test, as further defined under Clause 2 (*Statutory Test*) of the Cover Pool Management Agreement.

**"Subordinated Lender"** means each Seller, in its capacity as subordinated lender pursuant to the relevant Subordinated Loan Agreement.

**"Subordinated Loan Agreement"** means each subordinated loan agreement entered into on 20 May 2013 between a Subordinated Lender and the Guarantor.

**"Subscription Agreements"** means each subscription agreement entered into on or about the Issue Date of each Series of Covered Bonds between each Dealer and the Issuer.

**"Sub-Servicer"** means CA Friuladria, in its capacity as sub-servicer pursuant to the Master Servicing Agreement.

**"Substitute Master Servicer"** means the successor to the Master Servicer which may be appointed by the Guarantor, upon the occurrence of a Master Servicer Termination Event, pursuant to clause 8.1.1 (*Sostituto del Master Servicer*) of the Master Servicing Agreement.

**"Sub-Servicing Agreement"** means the sub-servicing agreement entered into on 20 May 2013

between the Guarantor, the Master Servicer and CA Friuladria.

“**Subsidiary**” has the meaning ascribed to such term in Article 2359 of the Italian Civil Code.

“**Supplemental R&W**” means any additional representations and warranties provided by each Seller and proposed by it in the relevant Transfer Notice, in the event that any Eligible Assets or Top-Up Assets transferred by the relevant Seller comprises assets other than the Residential Mortgage Loans (including, Public Entity Receivables and Public Entity Securities, ).

“**Swap Agreements**” means, collectively and severally, each Asset Swap Agreement, Liability Swap Agreement, and any other swap agreement that may be entered into from time to time in connection with the Programme.

“**Swap Collateral**” means the collateral that may be transferred by the Swap Providers to the Issuer or to the Guarantor, as the case may be, in support of their own obligations pursuant to the Swap Agreements.

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

“**Swap Providers**” means, collectively, the Asset Swap Providers, the Liability Swap Providers and any other entity that may act as swap provider pursuant to a swap agreement entered into in the context of the Programme.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) system.

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

“**Term Loan**” means a loan made or to be made available to the Guarantor under the Facility or the principal amount outstanding for the time being of that loan, in accordance with each Subordinated Loan Agreement.

“**Test Grace Period**” means the period starting from the Calculation Date on which the breach of a test is notified by the Calculation Agent and ending on the date falling 90 (ninety) days after such Calculation Date;

“**Tests**” means the Statutory Tests and the Amortisation Test;

“**Top-Up Assets**” means, in accordance with article 2, sub-paragraph 3.2 and 3.3 of Decree No. 310, each of the following assets:

- (i) deposits held with banks which qualify as Eligible Institution and have their registered office in the European Economic Area or Switzerland or in a country for which a 0 per cent. risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and
- (ii) securities issued by the banks indicated in item (i) above, which have a residual maturity

not exceeding 1 (one) year.

**“Trade Date”** means the date on which the issue of the relevant Series of Covered Bonds is priced.

**“Tranche”** means the tranche of Covered Bonds issued under the Programme to which each Final Terms relates, each such tranche forming part of a Series.

**“Transfer Agreement”** means any subsequent transfer agreement for the purchase of each New Portfolio entered into in accordance with the terms of the relevant Master Loans Purchase Agreement.

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

**“Transfer Date”** means: (a) with respect to each Initial Portfolio, 20 May 2013; and (ii) with respect to each New Portfolio, the date designated by the relevant Seller in the relevant Transfer Notice.

**“Transfer Notice”** means, in respect to each New Portfolio, such transfer notice which will be sent by each Seller and addressed to the Guarantor in the form set out in Schedule 5 (*Modello di proposta di cessione di Nuovi Portafogli*) to the relevant Master Loans Purchase Agreement.

**“Treaty”** means the treaty establishing the European Community.

**“Warranty and Indemnity Agreement”** means each warranty and indemnity agreement entered into on 20 May 2013 between a Seller and the Guarantor.

(b) ***Interpretation***

In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 9 (*Taxation*), any premium payable in respect of a Series of Cover Bonds and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 9 (*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 Cover Bonds;
- (iv) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented up to and including the Issue Date of the relevant Covered Bonds;



- (v) any reference to a party to a Transaction Document (other than the Issuer and the Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Tranche only; and
- (vi) any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

### **3. Form, Denomination and Title**

The Covered Bonds are in the Specified Denomination(s), which may include a minimum denomination and higher integral multiples of a smaller amount, in each case as specified in the relevant Final Terms. The Covered Bonds will be issued in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with 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 Covered Bonds 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 and the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as amended and supplemented from time to time. The Covered Bonds will be held by Monte Titoli on behalf of the Covered Bondholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Monte Titoli Account Holder will be act as depository for Clearstream, Luxembourg and Euroclear. No physical documents of title will be issued in respect of the Covered Bonds. The rights and powers of the Covered Bondholders may only be exercised in accordance with the Rules of the Organisation of the Covered Bondholders.

### **4. Status and Guarantee**

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

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

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

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

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

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

## 5. Fixed Rate Provisions

### (a) *Application*

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

### (b) *Accrual of interest*

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

### (c) *Fixed Coupon Amount*

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

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

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

## 6. Floating Rate Interest Provisions

### (a) *Application*

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

### (b) *Accrual of interest*

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of

Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 8 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

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

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be, subject to Condition 6(j) (*Fallback Provisions*), determined by the Covered Bond Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Covered Bond Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Covered Bond Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (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 Covered Bond Calculation 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 Covered Bond Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Covered Bond Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Covered Bond Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the

Covered Bond Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of a preceding Interest Period.

(d) ***ISDA Determination***

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

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is the day 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 Covered Bond Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Covered Bond for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Covered Bond divided by the Calculation Amount. For this purpose a "sub unit" means, in the case of any Specified Currency other than Euro, the lowest amount of such Specified Currency that is available as legal tender in the country of such Specified Currency and, in the case of Euro, means one cent.

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

If the relevant Final Terms specifies that any other amount is to be calculated by the Covered Bond Calculation Agent, then the Covered Bond Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Covered Bond Calculation Agent in

the manner specified in the relevant Final Terms.

(h) ***Publication***

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

(i) ***Notifications etc***

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

(j) ***Fallback Provisions***

***(i) Independent Advisor***

Notwithstanding the provisions above in respect of Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(j)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6(j)(iii) (*Adjustment Spread*)) and whether any Benchmark Amendments (in accordance with Condition 6(j)(iv) (*Benchmark Amendments*)) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

An Independent Adviser appointed pursuant to this Condition 6(j)(i) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no

liability whatsoever to the Issuer, the party responsible for determining the Rate of Interest applicable to the Covered Bond (being the Principal Paying Agent, or such other party specified in the form of Final Terms), any Paying Agent or the Covered Bondholders for any determination made by it pursuant to this Condition 6(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(j)(i) prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, failing which, an Alternative Rate, provided however that if the Issuer is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(j)(i) prior to the relevant Interest Determination Date in the case of the Rate of Interest on Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest for Covered Bonds whose Final Terms specifies the Floating Rate Provisions as being applicable shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period (as applicable). For the avoidance of doubt, this Condition 6(j)(i) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(j)(i).

***(ii) Successor Rate or Alternative Rate***

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6(j)(i) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(j)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 6(j)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(j)(iii) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the operation of this Condition 6(j)).

**(iii) Adjustment Spread**

If the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6(j)(i) (*Independent Adviser*) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

**(iv) Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(j) and the Independent Adviser or the Issuer (if it is unable to appoint an Independent Adviser or if the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 6(j)(i) prior to the relevant Interest Determination Date) acting in good faith and in a commercially reasonable manner determines (i) that amendments to these Conditions and the other Transaction Documents, including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and/or necessary or appropriate to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6(j)(v) (*Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the competent regulatory authority, without any requirement for the consent or approval of Covered Bondholders vary these Conditions and the other Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Representative of the Covered Bondholders together with the Guarantor, without any requirement for the consent or approval of the Covered Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an amendment agreement to the Transaction Documents) and the Representative of the Covered Bondholders shall not be liable to any party for any consequences thereof, provided that if, in the opinion of the Covered Bondholders doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Covered Bondholders in these Conditions or the Transaction Documents (including for the avoidance of doubt, any amendment to the Transaction Documents), the Representative of the Covered Bondholders shall give effect to such Benchmark Amendments (including, *inter alia*, by the execution of any amendment agreement to the Transaction Documents), subject to being indemnified and/or secured to its satisfaction by the Issuer.

In connection with any such variation in accordance with this Condition 6(j)(iv), the Issuer

shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

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

**(v) Notices**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(j) will be notified promptly by the Issuer to the Representative of the Covered Bondholders, the Guarantor Calculation Agent and each Paying Agent and, in accordance with Condition 16 (*Notices*), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

Without prejudice to the obligations of the Issuer under Conditions 6(j)(i) (*Independent Advisor*) to 6(j)(iv) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 6 (*Floating Rate Interest Provisions*) will continue to apply unless and until a Benchmark Event has occurred.

**(vii) Definitions**

For the purposes of this Condition 6(j):

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

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner), is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference



the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

- (c) the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in accordance with Condition 6(j)(ii) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Covered Bonds;

**“Benchmark Amendments”** has the meaning given to it in Condition 6(j)(iv) (*Benchmark Amendments*);

**“Benchmark Event”** means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Covered Bonds, in each case within the following six months; or
- (e) it has become unlawful for, the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Covered Bondholders using the Original Reference Rate;

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(j)(i) (*Independent Adviser*);

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

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

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

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

## 7. Redemption and Purchase

### (a) *Scheduled redemption*

Unless previously redeemed or purchased and cancelled in accordance with the Conditions and the relevant Final Terms, the Covered Bonds will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in this Condition 7 (*Redemption and Purchase*) and Condition 8 (*Payments*).

### (b) *Extension of maturity*

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

The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least six Business Days prior to the Maturity Date as to whether payment will or will not be made in full of the Final Redemption Amount in respect of the Covered Bonds on that Maturity Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Guarantor shall notify the relevant holders of the Covered Bonds (in accordance with Condition 16 (*Notices*), any relevant Swap Provider(s), the Representative of the Covered Bondholders and the Principal Paying Agent as soon as reasonably practicable and in any event at least six Business Days prior to the Maturity Date of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the Extension Determination Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priority of Payments) *pro rata* in partial payment of an amount equal to the Final Redemption Amount in respect of the Covered Bonds and shall pay Guaranteed Amounts constituting interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any 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 and be payable on each Interest Payment Date during such extended period up to (and including) the Extended Maturity Date or, if earlier, the Interest Payment Date on which the Final Redemption Amount is paid in full.

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

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

- (i) at any time (if the Floating Rate Provisions are specified in the relevant Final Terms as being not applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable),

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

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Covered Bonds; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

1. where the Covered Bonds may be redeemed at any time, 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due; or

2. where the Covered Bonds may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 7(c), the Issuer shall be bound to redeem the Covered Bonds in accordance with this Condition 7(c).

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

If the Call Option is specified in the relevant Final Terms as being applicable, the Covered Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Covered Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Covered Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(e) ***Partial redemption***

If the Covered Bonds are to be redeemed in part only on any date in accordance with Condition 7(d) (*Redemption at the option of the Issuer*), the Covered Bonds to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the Covered Bonds will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation. The notice to Covered Bondholders referred to in Condition 7(d) (*Redemption at the option of the Issuer*) shall specify the proportion of the Covered Bonds so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

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

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any Covered Bondholder redeem such Covered Bonds held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 7(f), the Covered Bondholder must, not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Principal Paying Agent a duly completed Put Option Notice (which notice

shall be irrevocable) in the form obtainable from the Principal Paying Agent. The Principal Paying Agent shall deliver a duly completed Put Option Receipt to the depositing Covered Bondholder. Once deposited in accordance with this Condition 7(f), no duly completed Put Option Notice, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any Covered Bonds become immediately due and payable or, upon due presentation of any such Covered Bonds on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the Principal Paying Agent shall mail notification thereof to the Covered Bondholder at such address as may have been given by such Covered Bondholder in the relevant Put Option Notice and shall hold such Covered Bond against surrender of the relevant Put Option Receipt. For so long as any outstanding Covered Bonds are held by the Principal Paying Agent in accordance with this Condition 7(f), the Covered Bondholder and not the Principal Paying Agent shall be deemed to be the holder of such Covered Bonds for all purposes.

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

The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in this Condition 7 and as specified in the relevant Final Terms.

(h) ***Purchase***

The Issuer or any of its Subsidiaries (other than the Guarantor) may at any time purchase Covered Bonds in the open market or otherwise and at any price and any Covered Bonds so purchased may be held or resold or may be surrendered in accordance with Condition 7(h) (Cancellation). The Guarantor shall not purchase any Covered Bonds at any time.

(i) ***Cancellation***

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

## **8. Payments**

(a) ***Payments through clearing systems***

Payment of interest and repayment of principal in respect of the Covered Bonds will be credited, in accordance with the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer or the Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Covered Bonds and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Covered Bonds or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those Covered Bonds, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(b) ***Payments subject to fiscal laws***

All payments in respect of the Covered Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to Covered Bondholders in respect of such payments.

(c) ***Payments on business days***

If the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day in the Place of Payment, the Covered Bondholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

**9. Taxation**

(a) ***Gross up by Issuer***

All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed (i) by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof or pursuant to the provisions of the intergovernmental agreement entered into by and between Italy and the United States on 10 January 2014, ratified by way of Law No. 95 on 18 June 2015, published in the Official Gazette – general series No. 155, on 7 July 2015 ("**FATCA**") unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA). In that event, the Issuer shall pay such additional amounts as will result in receipt by the Covered Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond:

- (i) in relation to any payment or deduction of any interest or principal on account of *imposta sostitutiva* pursuant to Decree No. 239, as amended from time to time with respect to any Covered Bonds and in all circumstances in which the procedures set forth in Decree No. 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (ii) where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30th September 1983, converted into Law No. 649 of 25th November 1983 as amended from time to time; or
- (iii) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (iv) where the Covered Bondholder would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party

complies, with any statutory requirements;

- (v) held by or on behalf of a Covered Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Covered Bonds by reason of having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Covered Bonds; or
- (vi) held by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Principal Paying Agent in a Member State of the EU; or
- (vii) held by or on behalf of a Bondholder who is entitled to avoid such withholding or deduction in respect of such Covered Bonds by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or
- (viii) where such withholding is required by FATCA.

(b) ***Taxing jurisdiction***

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the purposes of this paragraph (b), the Issuer will not be considered to become subject to the taxing jurisdiction of the United States should the Issuer be required to withhold amounts in respect any withholding tax imposed by the United States on any payments the Issuer makes.

(c) ***No Gross-up by the Guarantor***

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Covered Bondholders.

## 10. **Events of Default**

(a) ***Issuer Events of Default:***

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

- (i) ***Non-payment:*** the Issuer fails to pay any amount of interest and/or principal due and payable on any Series of Covered Bonds at their relevant Interest Payment Date and such breach is not remedied within the next 15 Business Days, in case of amounts of interest, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (ii) ***Breach of other obligation:*** a material breach of any obligation under the Transaction Documents by the Issuer occurs which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (iii) ***Cross-default:*** any of the events described in paragraphs (i) to (ii) above occurs in respect of any other Series of Covered Bonds; or

- (iv) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (v) *Article 74 resolution*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (vi) *Cessation of business*: the Issuer ceases to carry on its primary business; or
- (vii) *Breach of Tests*: the Tests are breached and are not remedied within the Test Grace Period,

then the Representative of the Covered Bondholders shall serve an Issuer Default Notice on the Issuer and the Guarantor demanding payment under the Covered Bond Guarantee, and specifying, in case of the Issuer Event of Default referred to under item (v) (*Article 74 resolution*) above, that the Issuer Event of Default may be temporary.

(b) ***Effect of an Issuer Default Notice:***

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

- (i) *No further Series of Covered Bonds*: the Issuer may not issue any further Series of Covered Bonds;
- (ii) *Covered Bond Guarantee*:
  - (a) interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under these Conditions, subject to and in accordance with the terms of the Covered Bond Guarantee and the Priority of Payments;
  - (b) the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Covered Bond Guarantee;
  - (c) if (i) the right of the Guarantor under Condition 10(b)(ii)(b) is in any way challenged or revoked and (ii) a Programme Resolution of the Covered Bondholders has been passed to this effect, the Covered Bonds will become immediately due and payable by the Issuer, at their Early Termination Amount together with accrued interest thereon and the Guarantor will no longer be entitled to request from the Issuer the amount set out under Condition 10(b)(ii)(b);
- (iii) *Disposal of Assets*: the Guarantor shall sell the Eligible Assets and Top-Up Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement,

*provided that*, in case of the Issuer Event of Default referred to under item (v) (*Article 74 resolution*) above, the effects listed in items (i) (*No further Series of Covered Bonds*), (ii) (*Covered Bond Guarantee*) and (iii) (*Disposal of Assets*) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Consolidated Banking Act will be in force and effect (the "**Suspension Period**"). Accordingly (A) the Guarantor, in accordance with Decree No. 310, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again



responsible for meeting the payment obligations under the Covered Bonds.

(c) ***Guarantor Events of Default:***

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

- (i) *Non-payment*: following delivery of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or
- (ii) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or
- (iii) *Breach of other obligation*: a material breach of any obligation under the Transaction Documents by the Guarantor occurs (other than payment obligations referred to in Condition 10(c)(i)) which is not remedied within 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor; or
- (iv) *Breach of Amortisation Test*: following the service of an Issuer Default Notice (provided that, in case the Issuer Event of Default consists of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 Event Cure Notice) the Amortisation Test is breached and is not remedied within the Test Grace Period; or
- (v) *Invalidity of the Covered Bond Guarantee*: the Covered Bond Guarantee is not in full force and effect or it is claimed by the Guarantor not to be in full force and effect,

then the Representative of the Covered Bondholders shall or, in the case of the Guarantor Event of Default under Condition 10(c)(iii) (*Breach of other obligation*) shall, if so directed by a Programme Resolution, serve a Guarantor Default Notice on the Guarantor.

(d) ***Effect of a Guarantor Default Notice:***

Upon service of a Guarantor Default Notice upon the Guarantor:

- (i) *Acceleration of Covered Bonds*: the Covered Bonds shall become immediately due and payable at their Early Termination Amount together, if appropriate, with any accrued interest;
- (ii) *Covered Bond Guarantee*: subject to and in accordance with the terms of the Covered Bond Guarantee, the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 9(a) (*Gross up*)) in accordance with the Priority of Payments;
- (iii) *Disposal of assets*: the Guarantor shall immediately sell all assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement; and
- (iv) *Enforcement*: the Representative of the Covered Bondholders may, at its discretion and without further notice subject to having been indemnified and/or secured to its satisfaction, take such steps and/or institute such proceedings against the Issuer or the

Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a Programme Resolution of the Covered Bondholders.

(e) ***Determinations, etc***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 10 by the Representative of the Covered Bondholders shall (in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*)) be binding on the Issuer, the Guarantor and all Covered Bondholders and (in such absence as aforesaid) no liability to the Covered Bondholders, the Issuer or the Guarantor shall attach to the Representative of the Covered Bondholders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

**11. Prescription**

Claims for payment under the Covered Bonds shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

**12. Representative of the Covered Bondholders**

(a) ***Organisation of the Covered Bondholders:***

The Organisation of the Covered Bondholders shall be established upon, and by virtue of, the issuance of the first Series of Covered Bonds under the Programme and shall remain in force and in effect until repayment in full or cancellation of the Covered Bonds of any Series. Pursuant to the Rules of the Organisation of the Covered Bondholders, for as long as the Covered Bonds are outstanding, there shall at all times be a Representative of the Covered Bondholders. The appointment of the Representative of the Covered Bondholders as legal representative of the Organisation of the Covered Bondholders is made by the Covered Bondholders subject to and in accordance with the Rules of the Organisation of the Covered Bondholders.

(b) ***Initial appointment***

In the Programme Agreement, the Relevant Dealer(s) has or have appointed the Representative of the Covered Bondholders to perform the activities described in the Programme Agreement, in these Conditions (including the Rules of the Organisation of Covered Bondholders), in the Intercreditor Agreement, in the Mandate Agreement and in the other Transaction Documents, and the Representative of the Covered Bondholders has accepted such appointment for the period commencing on the Issue Date of the first Series of Covered Bonds and ending (subject to early termination of its appointment) on the date on which all of the Covered Bonds have been cancelled or redeemed in accordance with these Conditions and the relevant Final Terms.

(c) ***Acknowledgment by Covered Bondholders***

Each Covered Bondholder, by reason of holding Covered Bonds:

- (i) recognises the Representative of the Covered Bondholders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into

from time to time by the Representative of the Covered Bondholders in such capacity as if such Covered Bondholder were a signatory thereto; and

- (ii) acknowledges and accepts that the Relevant Dealer(s) shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Covered Bondholders as a result of the performance by the Representative of the Covered Bondholders of its duties or the exercise of any of its rights under the Transaction Documents.

### **13. Agents**

In acting under the Cash Allocation Management and Payments Agreement and in connection with the Covered Bonds, the Principal Paying Agent acts solely as an agent of the Issuer and, following service of an Issuer Default Notice or a Guarantor Default Notice, as an agent of the Guarantor and does not assume any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders.

The Principal Paying Agent and its initial Specified Offices are set out in these Conditions. The Cover Bond Calculation Agent (if not the Principal Paying Agent) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint a successor principal paying agent or Cover Bond Calculation Agent; *provided, however, that*:

- (i) the Issuer and the Guarantor shall at all times maintain a principal paying agent; and
- (ii) if a Cover Bond Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Cover Bond Calculation Agent; and
- (iii) if and for so long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer and the Guarantor shall maintain a paying agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in the Principal Paying Agent or in its Specified Offices shall promptly be given to the Covered Bondholders.

### **14. Further Issues**

The Issuer may from time to time, without the consent of the Covered Bondholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.

### **15. Limited Recourse and Non Petition**

#### **(a) *Limited Recourse***

The obligations of the Guarantor under the Covered Bond Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under the Securitisation and Covered Bond Law, Decree No. 310 and the Bank of Italy Regulations. The recourse of the Covered Bondholders to the Guarantor under the Covered Bond Guarantee will be limited to the assets comprised

in the Cover Pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Covered Bondholders.

(b) ***Non Petition***

Only the Representative of the Covered Bondholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the Covered Bond Guarantee and/or the Security and no Covered Bondholder shall be entitled to proceed directly against the Guarantor to obtain payment of the Guaranteed Amounts or to enforce the Covered Bond Guarantee and/or the Security. In particular:

- (i) no Covered Bondholder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee and/or the Security or (except for the Representative of the Covered Bondholders) take any proceedings against the Guarantor to enforce the Covered Bond Guarantee and/or the Security;
- (ii) no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders, where appropriate) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Guarantor for the purpose of obtaining payment of any amount due from the Guarantor;
- (iii) at least until the date falling one year and one day after the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or *pari passu* thereto, no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders) shall initiate or join any person in initiating an Insolvency Event in relation to the Guarantor; and
- (iv) no Covered Bondholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

**16. Notices**

(a) ***Notices given through Monte Titoli***

Any notice regarding the Covered Bonds, as long as the Covered Bonds are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(b) ***Notices through Luxembourg Stock Exchange.***

Any notice regarding the Covered Bonds, as long as the Covered Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange, shall be deemed to have been duly given if published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 Covered Bondholders shall be at liberty to sanction any other method of giving notice to Covered Bondholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the competent authority, stock exchange and/or quotation system by which the Covered Bonds are then admitted to trading and *provided that* notice of such other method is given to the holders of the Covered Bonds in such manner as the Representative of the Covered Bondholders shall require.

**17. Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

**18. Governing Law and Jurisdiction**

(a) ***Governing law***

These Covered Bonds and any non-contractual obligations arising out of, or in connection, thereof are governed by Italian law. All other Transaction Documents and any non-contractual obligations arising out of, or in connection, thereof are governed by Italian law, save for the Swap Agreements and the Deed of Charge, if any, which are governed by English law.

(b) ***Jurisdiction***

The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the Covered Bonds or their validity, interpretation or performance.

(c) ***Relevant legislation***

Anything not expressly provided for in these Conditions will be governed by the provisions of the Securitisation and Covered Bond Law and, if applicable, Article 58 of the Consolidated Banking Law, the Bank of Italy Regulations and Decree No. 310.

# RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS

## TITLE I

### GENERAL PROVISIONS

#### 1. GENERAL

- 1.1 The Organisation of the Covered Bondholders in respect of all Covered Bonds of whatever Series issued under the Programme by Crédit Agricole Italia is created concurrently with the issue and subscription of the Covered Bonds of the first Series to be issued and is governed by these Rules of the Organisation of the Covered Bondholders ("**Rules**").
- 1.2 These Rules shall remain in force and effect until full repayment or cancellation of all the Covered Bonds of whatever Series.
- 1.3 The contents of these Rules are deemed to be an integral part of the Terms and Conditions of the Covered Bonds (the "**Conditions**") of each Series issued by the Issuer.

#### 2. DEFINITIONS AND INTERPRETATION

##### 2.1 *Definitions*

In these Rules, the terms below shall have the following meanings:

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Principal Paying Agent:

- (a) certifying that specified Covered Bonds are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until a the earlier of:
- (i) a specified date which falls after the conclusion of the Meeting; and
  - (ii) the surrender to the Italian Paying Agent, which is to be issued not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption), of confirmation that the Covered Bonds are Blocked Covered Bonds and notification of the release thereof by the Italian Paying Agent to the Issuer and Representative of the Covered Bondholders certifying that the Holder of the relevant Blocked Covered Bonds or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Covered Bonds are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;
- (b) listing the aggregate principal amount of such specified Blocked Covered Bonds, distinguishing between those amounts in respect of which instructions have been given to vote for, and against, each resolution; and
- (c) authorising a named individual to vote in accordance with such instructions;

"**Blocked Covered Bonds**" means Covered Bonds which have been blocked in an account with a

clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"**Chairman**" means, in relation to any Meeting, the person who takes the chair in accordance with Article 8 (*Chairman of the Meeting*);

"**Cover Pool**" has the meaning given to it in the Master Definitions Agreement;

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default;

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of not less than three quarters of the votes cast or, in the case of a resolution pursuant to Condition 10(b)(ii)(c) (*Effect of an Issuer Default Notice – Covered Bond Guarantee*), by a majority of not less than 50 per cent. of the Outstanding Principal Amount of the Covered Bonds of the relevant Series then outstanding;

"**Holder**" or "**holder**" means in respect of Covered Bonds, the ultimate owner of such Covered Bonds;

"**Liabilities**" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands;

"**Meeting**" means a meeting of Covered Bondholders (whether originally convened or resumed following an adjournment);

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

"**Ordinary Resolution**" means any resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of more than 50 per cent. of the votes cast;

"**Programme Resolution**" means an Extraordinary Resolution passed at a single meeting of the Covered Bondholders of all Series, duly convened and held in accordance with the provisions contained in these Rules (i) to direct the Representative of the Covered Bondholders to take action pursuant to Condition 10(b)(ii)(c) (*Effect of an Issuer Default Notice – Covered Bond Guarantee*), Condition 10(c)(iii) (*Guarantor Event of Default – Breach of other obligation*) or Condition 10(d)(iv) (*Guarantor Event of Default – Enforcement*) or to appoint or remove the Representative of the Covered Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*); or (ii) to direct the Representative of the Covered Bondholders to take other action stipulated in the Conditions or the Transaction Documents as requiring a Programme Resolution.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or a person appointed to vote under a Block Voting Instruction, in each case other than:

- (a) any person whose appointment has been revoked and in relation to whom the

Principal Paying Agent or, in the case of a proxy appointed under a Voting Certificate, the Issuer has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

- (d) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

**"Resolutions"** means the Ordinary Resolutions, the Extraordinary Resolutions and the Programme Resolutions, collectively;

**"Swap Rate"** means, in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in any Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if there is no exchange rate specified or if the Swap Agreement has terminated, the applicable spot rate;

**"Transaction Party"** means any person who is a party to a Transaction Document;

**"Voter"** means, in relation to a Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction;

**"Voting Certificate"** means, in relation to any Meeting:

- (a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or
- (b) a certificate issued by the Principal Paying Agent stating:
  - (i) that Blocked Covered Bonds 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 Principal Paying Agent; and
  - (ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Covered Bonds;

**"Written Resolution"** means a resolution in writing signed by or on behalf of one or more persons being or representing the holders of at least 75 per cent of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Covered Bondholders;

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and the places where the Principal Paying Agent has its Specified Office; and

**"48 hours"** means two consecutive periods of 24 hours.



Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions to which these Rules are attached.

## 2.2 ***Interpretation***

In these Rules:

- 2.2.1 any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the Covered Bondholders;
- 2.2.2 a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and
- 2.2.3 any reference to any Transaction Party shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

## 2.3 ***Separate Series***

2.3.1 Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Representative of the Covered Bondholders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (Purpose of the Organisation) to 25 (Meetings and Separate Series) and Articles 28 (Duties and Powers of the Representative of the Covered Bondholders) to 35 (Powers to Act on behalf of the Guarantor) shall apply mutatis mutandis separately and independently to the Covered Bonds of each Series. However, for the purposes of this Clause 2.3:

2.3.2 Articles 26 (*Appointment, Removal and Resignation*) and 27 (*Resignation of the Representative of the Covered Bondholders*); and

2.3.3 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 Covered Bondholders*) to 35 (*Powers to Act on behalf of the Guarantor*),

the Covered Bonds shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the Covered Bonds together as if they constituted a single Series and, in such Articles, the expressions "**Covered Bonds**" and "**Covered Bondholders**" shall be construed accordingly.

## 3. **PURPOSE OF THE ORGANISATION**

- 3.1 Each Covered Bondholder, whatever Series of the Covered Bonds he holds, is a member of the Organisation of the Covered Bondholders.
- 3.2 The purpose of the Organisation of the Covered Bondholders is to co-ordinate the exercise of the rights of the Covered Bondholders and, more generally, to take any action necessary or desirable to protect the interest of the Covered Bondholders.

## TITLE II

### MEETINGS OF THE COVERED BONDHOLDERS

#### **4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS**

- 4.1 A Covered Bondholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or
- 4.2 A Covered Bondholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue a Block Voting Instruction by arranging for Covered Bonds to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.
- 4.3 A Voting Certificate or Block Voting Instruction issued pursuant to Article 4.2 shall be valid until the release of the Blocked Covered Bonds to which it relates.
- 4.4 So long as a Voting Certificate or Block Voting Instruction is valid, the person named therein as Holder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), the bearer thereof (in the case of a Voting Certificate issued by the Principal Paying Agent), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Principal Paying Agent) shall be deemed to be the Holder of the Covered Bonds to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.
- 4.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Covered Bonds.
- 4.6 References to the blocking or release of Covered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of any Relevant Clearing System.

#### **5. VALIDITY OF BLOCK VOTING INSTRUCTIONS**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Principal Paying Agent, or at any other place approved by the Representative of the Covered Bondholders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Covered Bondholders so requires, a notarised (or otherwise acceptable) copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Covered Bondholders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the Covered Bonds named in a Voting Certificate or a Block Voting Instruction.

#### **6. CONVENING A MEETING**

##### **6.1 *Convening a Meeting***

The Representative of the Covered Bondholders, the Guarantor or the Issuer may and (in relation to a meeting for the passing of a Programme Resolution) the Issuer shall upon a requisition in writing signed by the holders of not less than five per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of seven days in convening such a

meeting upon requisition by the Covered Bondholders the same may be convened by the Representative of the Covered Bondholders or the requisitionists. The Representative of the Covered Bondholders may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Representative of the Covered Bondholders there is no conflict between the holders of the Covered Bonds of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

#### 6.2 ***Meetings convened by Issuer***

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Covered Bondholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

#### 6.3 ***Time and place of Meetings***

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Covered Bondholders.

### 7. **NOTICE**

#### 7.1 ***Notice of Meeting***

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Covered Bondholders and the Principal Paying Agent, with a copy to the Issuer and the Guarantor, where the Meeting is convened by the Representative of the Covered Bondholders, or with a copy to the Representative of the Covered Bondholders, where the Meeting is convened by the Issuer.

#### 7.2 ***Content of notice***

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Covered Bondholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Covered Bondholders must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

#### 7.3 ***Validity notwithstanding lack of notice***

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Covered Bonds constituting all the Outstanding Principal Amount of the Covered Bonds, the Holders of which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the Covered Bondholders are present.

### 8. **CHAIRMAN OF THE MEETING**

#### 8.1 ***Appointment of Chairman***

An individual (who may, but need not be, a Covered Bondholder), nominated by the Representative of the Covered Bondholders may take the chair at any Meeting, but if:

- 8.1.1 the Representative of the Covered Bondholders fails to make a nomination; or
- 8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

## 8.2 ***Duties of Chairman***

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and determines the mode of voting.

## 8.3 ***Assistance to Chairman***

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more-vote counters, who are not required to be Covered Bondholders.

## 9. **QUORUM**

### 9.1 The quorum at any Meeting will be:

- 9.1.1 in the case of an Ordinary Resolution, two or more persons holding or representing at least 50 per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which are entitled to attend and vote or, at an adjourned Meeting, two or more persons being or representing Covered Bondholders entitled to attend and vote, whatever the Outstanding Principal Amount of the Covered Bonds so held or represented; or
- 9.1.2 in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), two or more persons holding or representing at least 50 per cent. of the Outstanding Principal Amount of the Covered Bonds for the time being outstanding, the holders of which are entitled to attend and vote or, at an adjourned Meeting, two or more persons being or representing Covered Bondholders entitled to attend and vote, whatever the Outstanding Principal Amount of the Covered Bonds so held or represented; or
- 9.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 31.4 (*Obligation to act*) and Article 32.4 (*Obligation to exercise powers*), only be capable of being effected after having been approved by Extraordinary Resolution) namely:
  - (a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;

- (e) alteration of the currency in which payments under the Covered Bonds are to be made;
  - (f) alteration of the majority required to pass an Extraordinary Resolution;
  - (g) any amendment to the Covered Bond Guarantee or the Deeds of Pledge or the Deed of Charge (except in a manner determined by the Representative of the Covered Bondholders not to be materially prejudicial to the interests of the Covered Bondholders of any Series);
  - (h) the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the Covered Bonds for, or the conversion of such Covered Bonds into, shares, bonds or other obligations or securities of the Issuer or the Guarantor or any other person or body corporate, formed or to be formed; and
  - (i) alteration of this Article 9.1.3;
- (each a "**Series Reserved Matter**"), the quorum shall be two or more persons being or representing holders of not less than two-thirds of the aggregate Outstanding Principal Amount of the Covered Bonds of such Series for the time being outstanding or, at any adjourned meeting, two or more persons being or representing not less than one-third of the aggregate Outstanding Principal Amount of the Covered Bonds of such Series for the time being outstanding.

*provided that*, if in respect of any Covered Bonds the Principal Paying Agent has received evidence that ninety per cent (90 per cent.) of the Outstanding Principal Amount of Covered Bonds then outstanding is held by a single Holder and the Voting Certificate or Block Voting Instruction so states, then a single Voter appointed in relation thereto or being the Holder of the Covered Bonds thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

## 10. ADJOURNMENT FOR WANT OF QUORUM

- 10.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:
  - 10.1.1 if such Meeting was convened upon the requisition of Covered Bondholders, the Meeting shall be dissolved; and
  - 10.1.2 in any other case, the Meeting shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the Covered Bondholders).
- 10.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the

transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the Covered Bondholders) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the Covered Bondholders.

## **11. ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for Want of Quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

## **12. NOTICE FOLLOWING ADJOURNMENT**

### **12.1 *Notice required***

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

### **12.2 *Notice not required***

Except in the case of a Meeting to consider an Extraordinary Resolution, it shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for Want of Quorum*).

## **13. PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer and the Guarantor;

13.3 representatives of the Issuer, the Guarantor and the Representative of the Covered Bondholders;

13.4 financial advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders;

13.5 legal advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders; and

13.6 other person authorised by virtue of a resolution of such Meeting or by the Representative of the Covered Bondholders.

## **14. VOTING BY SHOW OF HANDS**

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

## 15. VOTING BY POLL

### 15.1 *Demand for a poll*

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Guarantor, the Representative of the Covered Bondholders or any one or more Voters, whatever the Outstanding Principal Amount of the Covered Bonds held or represented by such Voter(s). A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

### 15.2 *The Chairman and a poll*

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

## 16. VOTES

### 16.1 *Voting*

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every Voter who is present shall have one vote in respect of each Euro 1,000 or such other amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Representative of the Covered Bondholders in its absolute discretion may stipulate) in the Outstanding Principal Amount of the Covered Bonds it holds or represents.

### 16.2 *Block Voting Instruction*

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

### 16.3 *Voting tie*

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

## 17. VOTING BY PROXY

### 17.1 *Validity*

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked *provided that* none of the Issuer, the Representative of the Covered Bondholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

#### 17.2 ***Adjournment***

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

### 18. RESOLUTIONS

#### 18.1 ***Ordinary Resolutions***

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

#### 18.2 ***Extraordinary Resolutions***

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders or any of them;

18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the Covered Bondholders, the Issuer, the Guarantor, the Covered Bondholders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Representative of the Covered Bondholders and/or any other party thereto;

18.2.3 assent to any modification of the provisions of these Rules or the Transaction Documents



which shall be proposed by the Issuer, the Guarantor, the Representative of the Covered Bondholders or of any Covered Bondholder;

- 18.2.4 in accordance with Article 26 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Covered Bondholders;
- 18.2.5 direct the Representative of the Covered Bondholders to issue an Issuer Default Notice as a result of an Event of Default pursuant to Condition 10(a) (*Issuer Event of Default*) or a Guarantor Default Notice as a result of a Guarantor Event of Default pursuant to Condition 10(c) (*Guarantor Event of Default*);
- 18.2.6 discharge or exonerate, whether retrospectively or otherwise, the Representative of the Covered Bondholders from any Liability in relation to any act or omission for which the Representative of the Covered Bondholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;
- 18.2.7 waive any breach or authorise any proposed breach by the Issuer, the Guarantor or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Covered Bonds or any other Transaction Document or any act or omission which might otherwise constitute an Event of Default;
- 18.2.8 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;
- 18.2.9 authorise and ratify the actions of the Representative of the Covered Bondholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- 18.2.10 to appoint any persons (whether Covered Bondholders or not) as a committee to represent the interests of the Covered Bondholders and to confer on any such committee any powers which the Covered Bondholders could themselves exercise by Extraordinary Resolution; and
- 18.2.11 authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

### 18.3 ***Programme Resolutions***

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the Covered Bondholders to take action pursuant to Condition 10(b)(ii)(c) (*Issuer Event of Default – Covered Bond Guarantee*) or Condition 10(d)(iv) (*Guarantor Event of Default – Enforcement*) or to appoint or remove the Representative of the Covered Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*) or to take any other action required by the Conditions or any Transaction Documents to be taken by Programme Resolution.

### 18.4 ***Other Series of Covered Bonds***

No Ordinary Resolution or Extraordinary Resolution other than a Programme Resolution that is passed by the Holders of one Series of Covered Bonds shall be effective in respect of another Series of Covered Bonds unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of Covered Bonds then outstanding of that other Series.

## 19. EFFECT OF RESOLUTIONS

### 19.1 *Binding nature*

Subject to Article 18.4 (*Other Series of Covered Bonds*), any resolution passed at a Meeting of the Covered Bondholders of any Series duly convened and held in accordance with these Rules shall be binding upon all Covered Bondholders of any such Series, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the Covered Bonds of all Series shall be binding on all holders of the Covered Bonds of all Series, whether or not present at the meeting.

### 19.2 *Notice of voting results*

Notice of the results of every vote on a resolution duly considered by Covered Bondholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer, the Guarantor and the Representative of the Covered Bondholders within 14 days of the conclusion of each Meeting).

## 20. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Covered Bondholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

## 21. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

## 22. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

## 23. INDIVIDUAL ACTIONS AND REMEDIES

Each Covered Bondholder has accepted and is bound by the provisions of Condition 15 (*Limited Recourse and Non Petition*) and, accordingly, if any Covered Bondholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Covered Bond Guarantee (hereinafter, a "**Claiming Covered Bondholder**"), then such Claiming Covered Bondholder intending to enforce his/her rights under the Covered Bonds will notify the Representative of the Covered Bondholders of his/her intention. The Representative of the Covered Bondholders shall inform the other Covered Bondholders in accordance with Condition 16 (*Notices*) of such prospective individual actions and remedies and invite them to raise, in writing, any objection that they may have by a specific date not more than 30 days after the date of the Representative of the Covered Bondholders' notification and not less than 10 days after such notification. If Covered Bondholders representing 5 per cent. or more of the aggregate Outstanding Principal Amount of the Covered Bonds then outstanding object to such prospective

individual actions and remedies, then the Claiming Covered Bondholder will be prevented from taking any individual action or remedy (without prejudice to the fact that, after a reasonable period of time, the same matter may be resubmitted to the Representative of the Covered Bondholders pursuant to the terms of this Article 23).

## **24. MEETINGS AND SEPARATE SERIES**

### **24.1 *Choice of Meeting***

If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:

- 24.1.1 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
- 24.1.2 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;
- 24.1.3 a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
- 24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
- 24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.

### **24.2 *Denominations other than Euro***

If the Issuer has issued and has outstanding Covered Bonds which are not denominated in Euro in the case of any Meeting or request in writing or Written Resolution of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such Meeting or any poll resulting therefrom or any such request or Written Resolution) the Outstanding Principal Amount of such Covered Bonds shall be the equivalent in Euro at the relevant Swap Rate. In such circumstances, on any poll each person present shall have one vote for each Euro 1.00 (or such other Euro amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate) of the Outstanding Principal Amount of the Covered Bonds (converted as above) which he holds or represents.

## **25. FURTHER REGULATIONS**

Subject to all other provisions contained in these Rules, the Representative of the Covered Bondholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Covered Bondholders in its sole discretion may decide.

### TITLE III

#### THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

#### 26. APPOINTMENT, REMOVAL AND REMUNERATION

##### 26.1 *Appointment*

The appointment of the Representative of the Covered Bondholders takes place by Programme Resolution in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Covered Bondholders which will be Zenith Service S.p.A., .

##### 26.2 *Identity of Representative of the Covered Bondholders*

The Representative of the Covered Bondholders shall be:

26.2.1 a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or

26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of Italian Legislative Decree No. 385 of 1993; or

26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Covered Bondholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the Covered Bondholders and, if appointed as such, they shall be automatically removed.

##### 26.3 *Duration of appointment*

Unless the Representative of the Covered Bondholders is removed by Programme Resolution of the Covered Bondholders pursuant to Article 18.3 (*Programme Resolution*) or resigns pursuant to Article 27 (*Resignation of the Representative of the Covered Bondholders*), it shall remain in office until full repayment or cancellation of all the Covered Bonds.

##### 26.4 *After termination*

In the event of a termination of the appointment of the Representative of the Covered Bondholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Covered Bondholders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the Covered Bondholders*), accepts its appointment, and the powers and authority of the Representative of the Covered Bondholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Covered Bonds.

##### 26.5 *Remuneration*

The Issuer, failing which the Guarantor, shall pay to the Representative of the Covered

Bondholders an annual fee for its services as Representative of the Covered Bondholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Covered Bonds or in a separate fee letter. Such fees shall accrue from day-to-day and shall be payable in accordance with the priority of payments set out in the Intercreditor Agreement up to (and including) the date when all the Covered Bonds of whatever Series shall have been repaid in full or cancelled in accordance with the Conditions.

## **27. RESIGNATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS**

The Representative of the Covered Bondholders may resign at any time by giving at least three calendar months' written notice to the Issuer and the Guarantor, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Covered Bondholders shall not become effective until a new Representative of the Covered Bondholders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the Covered Bondholders has accepted its appointment, *provided that* if Covered Bondholders fail to select a new Representative of the Covered Bondholders within three months of written notice of resignation delivered by the Representative of the Covered Bondholders, the Representative of the Covered Bondholders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the Covered Bondholders*).

## **28. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS**

### **28.1 *Representative of the Covered Bondholders as legal representative***

The Representative of the Covered Bondholders is the legal representative of the Organisation of the Covered Bondholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Covered Bondholders.

### **28.2 *Meetings and resolutions***

Unless any Resolution provides to the contrary, the Representative of the Covered Bondholders is responsible for implementing all resolutions of the Covered Bondholders. The Representative of the Covered Bondholders has the right to convene and attend Meetings (together with its advisers) to propose any course of action which it considers from time to time necessary or desirable.

### **28.3 *Delegation***

The Representative of the Covered Bondholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Covered Bondholders;

28.3.2 whenever it considers it expedient and in the interest of the Covered Bondholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Covered

Bondholders may think fit in the interest of the Covered Bondholders. The Representative of the Covered Bondholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, *provided that* the Representative of the Covered Bondholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Covered Bondholders shall, as soon as reasonably practicable, give notice to the Issuer and the Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

#### 28.4 ***Judicial proceedings***

The Representative of the Covered Bondholders is authorised to represent the Organisation of the Covered Bondholders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the Guarantor.

#### 28.5 ***Consents given by Representative of Covered Bondholders***

Any consent or approval given by the Representative of the Covered Bondholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

#### 28.6 ***Discretions***

Save as expressly otherwise provided herein, the Representative of the Covered Bondholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Covered Bondholders by these Rules or by operation of law.

#### 28.7 ***Obtaining instructions***

In connection with matters in respect of which the Representative of the Covered Bondholders is entitled to exercise its discretion hereunder, the Representative of the Covered Bondholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Covered Bondholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Covered Bondholders shall be entitled to request that the Covered Bondholders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific Limitations*).

#### 28.8 ***Remedy***

The Representative of the Covered Bondholders may in its sole discretion determine whether or not a default in the performance by the Issuer or the Guarantor of any obligation under the provisions of these Rules, the Covered Bonds or any other Transaction Documents may be remedied, and if the Representative of the Covered Bondholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Covered Bondholders, the other creditors of the Guarantor and any other

party to the Transaction Documents.

## **29. EXONERATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS**

### **29.1 *Limited obligations***

The Representative of the Covered Bondholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

### **29.2 *Specific limitations***

Without limiting the generality of the Article 29.1, the Representative of the Covered Bondholders:

- 29.2.1 shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Covered Bondholders hereunder or under any other Transaction Document, has occurred and, until the Representative of the Covered Bondholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or a Guarantor Event of Default or such other event, condition or act has occurred;
- 29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the Guarantor or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Covered Bondholders shall be entitled to assume that the Issuer or the Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 29.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 29.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto or request and/or obtain any legal opinion in connection therewith, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
  - (i) the nature, status, creditworthiness or solvency of the Issuer or the Guarantor;
  - (ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Programme;
  - (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Master Servicer or any Sub-Servicer or compliance therewith;
  - (iv) the failure by the Issuer to obtain or comply with any licence, consent or other

authorisation in connection with the purchase or administration of the assets contained in the Cover Pool; and

- (v) any accounts, books, records or files maintained by the Issuer, the Guarantor, the Master Servicer, any Sub-Servicer and the Principal Paying Agent or any other person in respect of the Cover Pool or the Covered Bonds;

- 29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Covered Bonds or the distribution of any of such proceeds to the persons entitled thereto;
- 29.2.6 shall have no responsibility for procuring or maintaining any rating of the Covered Bonds by any credit or rating agency or any other person;
- 29.2.7 shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Covered Bondholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 29.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- 29.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Guarantor in relation to the assets contained in the Cover Pool or any part thereof, whether such defect or failure was known to the Representative of the Covered Bondholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 29.2.10 shall not be under any obligation to guarantee or procure the repayment of the Mortgage Loans contained in the Cover Pool or any part thereof;
- 29.2.11 shall not be responsible for reviewing or investigating any report relating to the Cover Pool or any part thereof provided by any person;
- 29.2.12 shall not be responsible for or have any Liability with respect to any loss or damage arising from the realisation of the Cover Pool or any part thereof;
- 29.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Covered Bonds, the Cover Pool or any Transaction Document;
- 29.2.14 shall not be under any obligation to insure the Cover Pool or any part thereof;
- 29.2.15 shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Covered Bondholders, have regard to the overall interests of the Covered Bondholders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number and, in particular but without limitation, shall not have regard to



the consequences of such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;

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

29.2.17 shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the Covered Bondholders and the other creditors of the Issuer or the Guarantor but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between their interests the Representative of the Covered Bondholders will have regard solely to the interest of the Covered Bondholders;

29.2.18 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the Covered Bondholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

29.2.19 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, the Guarantor, any Covered Bondholder, any Other Creditor or any other person as a result of any determination, any act, matter or thing that will not be materially prejudicial to the interests of the Covered Bondholders as a whole or the interests of the Covered Bondholders of any Series.

### 29.3 ***Covered Bonds held by Issuer***

The Representative of the Covered Bondholders may assume without enquiry that no Covered Bonds are, at any given time, held by or for the benefit of the Issuer or the Guarantor.

### 29.4 ***Illegality***

No provision of these Rules shall require the Representative of the Covered Bondholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Covered Bondholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any

regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The Representative of the Covered Bondholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

### **30. RELIANCE ON INFORMATION**

#### **30.1 *Advice***

The Representative of the Covered Bondholders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the Guarantor, the Representative of the Covered Bondholders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Covered Bondholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic and, in circumstances where in the opinion of the Representative of the Covered Bondholders to obtain such advice on any other basis is not practicable, notwithstanding any limitation of or cap on liability in respect thereof.

#### **30.2 *Certificates of Issuer and/or Guarantor***

The Representative of the Covered Bondholders may require, and shall be at liberty to accept (a) as sufficient evidence

30.2.1 as to any fact or matter *prima facie* within the Issuer's or the Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the Guarantor;

30.2.2 that such is the case, a certificate of a director of the Issuer or (as the case may be) the Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the Covered Bondholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

#### **30.3 *Resolution or direction of Covered Bondholders***

The Representative of the Covered Bondholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Covered Bondholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Covered Bondholders.

#### 30.4 ***Certificates of Monte Titoli Account Holders***

The Representative of the Covered Bondholders, in order to ascertain ownership of the Covered Bonds, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

#### 30.5 ***Clearing Systems***

The Representative of the Covered Bondholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Covered Bondholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Covered Bonds.

#### 30.6 ***Certificates of Parties to Transaction Document***

The Representative of the Covered Bondholders shall have the right to call for or require the Issuer or the Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the Guarantor) to the Intercreditor Agreement or any other Transaction Document,

30.6.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

30.6.2 as any matter or fact *prima facie* within the knowledge of such party; or

30.6.3 as to such party's opinion with respect to any issue

and the Representative of the Covered Bondholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

#### 30.7 ***Auditors***

The Representative of the Covered Bondholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

### 31. **AMENDMENTS AND MODIFICATIONS**

#### 31.1 ***Modification***

The Representative of the Covered Bondholders may at any time and from time to time and without the consent or sanction of the Covered Bondholders of any Series concur with the Issuer and/or the Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the Covered Bondholders may disregard whether any such modification relates to a Series Reserved Matter) as follows:

31.1.1 to these Rules, the Conditions and/or the other Transaction Documents which, in the sole opinion of the Representative of the Covered Bondholders, it may be expedient to

make *provided that* the Representative of the Covered Bondholders is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; and

31.1.2 to these Rules, the Conditions and/or the other Transaction Documents which is of a formal, minor, administrative or technical nature or to comply with mandatory provisions of law; and

31.1.3 to these Rules, the Conditions and/or the other Transaction Documents which, in the opinion of the Representative of the Covered Bondholders, is to correct a manifest error or an error established as such to the satisfaction of the Representative of the Covered Bondholders.

The Representative of the Covered Bondholders acknowledges and agrees that at the Issuer request, pursuant to Condition 6(j)(iv) (*Benchmark Amendments*) it will be obliged together with the Guarantor, without any requirement for the consent or approval of the Covered Bondholders, 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 regulatory authority to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of an amendment agreement to the Transaction Documents).

### 31.2 ***Binding Nature***

Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders may determine, shall be binding upon the Covered Bondholders and, unless the Representative of the Covered Bondholders otherwise agrees, shall be notified by the Issuer or the Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

### 31.3 ***Establishing an error***

In establishing whether an error is established as such, the Representative of the Covered Bondholders may have regard to any evidence on which the Representative of the Covered Bondholders considers it appropriate to rely and may, but shall not be obliged to, have regard to any of the following:

31.3.1 a certificate from the Arranger:

- (i) stating the intention of the parties to the relevant Transaction Document;
- (ii) confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention; and
- (iii) stating the modification to the relevant Transaction Document that is required to reflect such intention; and

31.3.2 confirmation from the relevant credit rating agencies that, after giving effect to such modification, the Covered Bonds shall continue to have the same credit ratings as those assigned to them immediately prior to the modification.

### 31.4 ***Obligation to act***

The Representative of the Covered Bondholders shall be bound to concur with the Issuer and the

Guarantor and any other party in making any modifications to these Rules, the Conditions and/or the other Transaction Documents if it is so directed by a Programme Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

## **32. WAIVER**

### **32.1 *Waiver of Breach***

The Representative of the Covered Bondholders may at any time and from time to time without the consent or sanction of the Covered Bondholders of any Series and, without prejudice to its rights in respect of any subsequent breach, condition, or event but only if, and in so far as, in its opinion the interests of the Holders of the Covered Bonds of any Series then outstanding shall not be materially prejudiced thereby:

32.1.1 authorise or waive, any proposed breach or breach by the Issuer or the Guarantor of any of the covenants or provisions contained in the Covered Bond Guarantee these Rules or the other Transaction Documents; or

32.1.2 determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Covered Bondholders.

### **32.2 *Binding Nature***

Any authorisation, or, waiver or determination may be given on such terms and subject to such conditions (if any) as the Representative of the Covered Bondholders may determine, shall be binding on all Bondholders and, if the Representative of the Covered Bondholders so requires, shall be notified to the Bondholders and the Other Creditors by the Issuer or the Guarantor, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

### **32.3 *Restriction on powers***

The Representative of the Covered Bondholders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Programme Resolution, but so that no such direction shall affect any authorisation, waiver or determination previously given or made.

### **32.4 *Obligation to exercise powers***

The Representative of the Covered Bondholders shall be bound to waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained in the Guarantee, these Rules or any of the other Transaction Documents or determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such if it is so directed by an Programme Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

### **32.5 *Notice of waiver***

If the Representative of the Covered Bondholders so requires, the Issuer shall cause any such

authorisation, waiver or determination to be notified to the Covered Bondholders and the Other Creditors, as soon as practicable after it has been given or made in accordance with Condition 16 (*Notices*).

### 33. INDEMNITY

Pursuant to the Programme Agreement, each Subscription Agreement and other document been agreed between the Issuer and the Relevant Dealer(s), the Issuer, failing which the Guarantor, has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Covered Bondholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including without limitation legal fees and any applicable value added tax or similar taxes) properly incurred by or made against the Representative of the Covered Bondholders or any entity to which the Representative of the Covered Bondholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the preparation and execution of these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Covered Bondholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Covered Bondholders pursuant to the Transaction Documents against the Issuer or the Guarantor, or any other person to enforce any obligation under these Rules, the Covered Bonds or the Transaction Documents except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Covered Bondholders.

### 34. LIABILITY

Notwithstanding any other provision of these Rules, the Representative of the Covered Bondholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Covered Bonds, the Conditions or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

### 35. SECURITY DOCUMENTS

#### 35.1 *The Deeds of Pledge*

The Representative of the Covered Bondholders shall have the right to exercise all the rights granted by the Guarantor to the Covered Bondholders pursuant to the Deeds of Pledge. The beneficiaries of the Deeds of Pledge are referred to in this Article 35 as the "**Secured Bondholders**".

#### 35.2 *Rights of Representative of the Covered Bondholders*

35.2.1 The Representative of the Covered Bondholders, acting on behalf of the Secured Bondholders, shall be entitled to appoint and entrust the Guarantor to collect, in the Secured Bondholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Guarantor, to the respective debtors of the pledged claims to make the payments related to such claims to any account opened in the name of the Guarantor and appropriate for such purpose;

35.2.2 The Secured Bondholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to any such account opened in the name of the Guarantor and appropriate of such purpose which is not in accordance with the provisions of this Article 35. The Representative of the Covered Bondholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deeds of Pledge except in accordance with the provisions of this Article 35 and the Intercreditor Agreement.

#### TITLE IV

##### THE ORGANISATION OF THE COVERED BONDHOLDERS AFTER SERVICE OF AN NOTICE

###### 36. POWERS TO ACT ON BEHALF OF THE GUARANTOR

It is hereby acknowledged that, upon service of a Guarantor Default Notice or, prior to service of a Guarantor Default Notice, following the failure of the Guarantor to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Cover Pool. Therefore, the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Guarantor and as *mandatario in rem propriam* of the Guarantor, any and all of the Guarantor's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

#### TITLE V

##### GOVERNING LAW AND JURISDICTION

###### 37. GOVERNING LAW

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

###### 38. JURISDICTION

The Courts of Milan will have jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which, subject to any necessary amendments, will be completed for each Tranche of Covered Bonds issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.*

**[PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – Unless the Final Terms in respect of any Cover Bonds specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRIIPs / IMPORTANT – UK RETAIL INVESTORS** – Unless the Final Terms in respect of any Cover Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>1</sup>

**[MIFID II product governance / target market** – The Final Terms in respect of any Covered Bonds will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered

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<sup>1</sup> Legend to be included on front of the Final Terms if the Tranche of Covered Bonds potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.



Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**Final Terms dated [●]**

**Crédit Agricole Italia S.p.A.**

**Issue of [Aggregate Nominal Amount of Tranche] Covered Bonds due [Maturity]**

**Guaranteed by**

**Crédit Agricole Italia OBG S.r.l.**

**under the Euro 16,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated 2 March 2021 [and the supplement[s] to the base prospectus dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Regulation (EU) 2017/1129 (as amended from time to time, the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8.4 of the Prospectus Regulation. These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information. These Final Terms are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus, including the supplement[s]] [is/are] available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer at [<https://www.credit-agricole.it/>].]

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the “**Conditions**”) set forth in the prospectus dated 26 March 2020, which are incorporated by reference in the prospectus dated 2 March 2021. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of Regulation (EU) 2017/1129, as amended and superseded (the “**Prospectus Regulation**”) and must be read in conjunction with the Base Prospectus dated 2 March 2021 [and the supplement to the Base Prospectus dated [●]], which [together]

constitute[s] a base prospectus for the purposes of the Prospectus Regulation. These Final Terms are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus, including the supplement[s] [is/are] available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer at [<https://www.credit-agricole.it/>].

*(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 Covered Bonds will be consolidated and form a single Series: [The Covered Bonds will be consolidated, form a single Series and be interchangeable for trading purposes with the [Series [•] Tranche [•] Covered Bonds due [•] issued on [•], ISIN Code [•]] on the Issue Date]/[Not Applicable]]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount: [•]
  - (i) Series: [•]
  - (ii) Tranche: [•]
4. Issue Price: [•] % of the aggregate nominal amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
5.
  - (i) Specified Denominations: [•] [plus integral multiples [•]] (as referred to under Condition 3) (*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: [•]
6.
  - (i) Issue Date: [•]
  - (ii) Interest Commencement Date: [*Specify*. Issue Date/Not Applicable]
7. Maturity Date: [*Specify date or (for Floating Rate Covered*

*Bonds) Interest Payment Date falling in or nearest to the relevant month and year.]*

8. Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Covered Bonds Guarantee: *[Not applicable / Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year] (as referred to in Condition 3*
9. Interest Basis: *[[•] % Fixed Rate]*  
*[[Specify reference rate] +/- [Margin] % Floating Rate]*  
*(further particulars specified in [14]/[15]/[16] below)*
10. Redemption/Payment Basis: *Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at the Final Redemption Amount*
11. Change of interest *[•] / [Not Applicable]*  
*[Change of interest rate may be applicable in case an Extended Maturity Date is specified as applicable, as provided for in Condition 7(b)]*
12. Put/Call Options: *[Not Applicable]*  
*[Investor Put (as referred in Condition 7(f))]*  
*[Issuer Call (as referred in Condition 7(d))][further particulars specified in paragraph [17]/[18]below]*
13. *[Date of [Board] approval for issuance of Covered Bonds [and Covered Bonds Guarantee] [respectively]] obtained:* *[•] [and [•], respectively*  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds or related Covered Bonds Guarantee)*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Provisions** *[Applicable/Not Applicable (as referred in Condition 5)]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: *[•]% per annum payable in arrear on each Interest Payment Date.*

- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention [Following Business Day Convention/ Modified Following Business Day Convention or Modified Business Day Convention/Preceding Business Day Convention/FRN Convention or Floating Rate Convention or Eurodollar Convention] and any applicable 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 Interest 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 or Eurobond Basis  
30E/360 (ISDA)]
- (vi) [Determination Date(s): [[•] in each year/Not Applicable]]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA).)*
15. **Floating Rate Provisions** [Applicable/Not Applicable (as referred to in Condition 6)]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]  
*(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*

- (iii) Interest Payment Dates: [•]  
*(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iv) First Interest Payment Date: [•]
- (v) Business Day Convention: *(Following Business Day Convention/Modified Following Business Day Convention or Modified Business Day Convention/Preceding Business Day Convention/FRN Convention or Floating Rate Convention or Eurodollar Convention)*
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent): [(Name) shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*]
- (viii) Screen Rate Determination:
- Reference Rate: Reference Rate: [•] month [EURIBOR]
  - Reference Banks: [[•]/Not Applicable]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: *(For example, Reuters EURIBOR 01)*
  - Relevant Time: *(For example, 11.00 a.m. London time/Brussels time)*
  - Relevant Financial Centre: *(For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro))*
- (ix) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•][*the first day of the Interest Period*]
- (x) Margin(s): [+/-][•]% per annum
- (xi) Minimum Rate of Interest: [•]% per annum

- (xii) Maximum Rate of Interest: [•]% per annum
- (xiii) Day Count Fraction: [Actual/Actual (ICMA)/  
Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/360  
30/360  
30E/360 or Eurobond Basis  
30E/360 (ISDA)]

#### PROVISIONS RELATING TO REDEMPTION

16. **Call Option** [Applicable/Not Applicable](as referred in Condition 7)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of Covered Bonds and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:  
Minimum Redemption Amount: [•] per Calculation Amount  
Maximum Redemption Amount [•] per Calculation Amount
- (iv) Notice period: [•]
17. **Put Option** [Applicable/Not Applicable](as referred in Condition 7)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Covered Bonds: [•] per Calculation Amount
- (iii) Notice period: [•]
18. **Final Redemption Amount of Covered Bonds** [•] per Calculation Amount (as referred in Condition 7 (a) [*Note that the Final Redemption Amount shall be equal to the principal amount of the Series*])
- (i) Minimum Final Redemption Amount: [•] per Calculation Amount

(ii) Maximum Final Redemption [•] per Calculation Amount  
Amount:

19. **Early Redemption Amount** [Not Applicable/[•] per Calculation Amount](as referred in Condition 7)  
Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Covered Bonds Guarantor Event of Default:

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

20. Additional Financial Centre(s): [Not Applicable/[•]]  
*(Note that this paragraph relates to the date and place of payment, and not interest period end dates)*

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

Signed on behalf of Crédit Agricole Italia S.p.A.

By: \_\_\_\_\_  
Duly authorised

Signed on behalf of Crédit Agricole Italia 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 /Other] / [Not Applicable]
- (ii) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the [Luxembourg Stock Exchange/Other] with effect from

[•]/[Not Applicable].

Estimate of total expenses related to admission to trading: [•]

## 2. RATINGS

Ratings:

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

Moody's Investors Service España S.A. ("Moody's"): [•]

[●]: [•]

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

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

[Each of Moody's / [●] is established in the European Union and is registered under Regulation (EC) No 1060/2009, on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies (as amended from time to time, the "EU CRA Regulation") as set out in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the EU CRA Regulation (for more information please visit the European Securities and Markets Authority webpage) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) / [●] is established in the UK and is registered under Regulation (EC) No 1060/2009 , on credit rating agencies as amended by



Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the "**UK CRA Regulation**") / [have not been issued or endorsed by any credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation(EU) No. 462/2013 on credit rating agencies (as amended from time to time, the "**EU CRA Regulation**") / have not been issued or endorsed by any credit rating agency which is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies on credit rating agencies as amended by Regulation (EU) No 513/2011 and Regulation (EU) No. 462/2013 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time, the "**UK CRA Regulation**")].

*(Include the relevant wording as applicable depending on the relevant rating agency assigning a rating to the Covered Bonds issued)*

### 3. REASONS FOR THE OFFER

[[General funding purposes of the Crédit Agricole Italia Banking Group] / [The Covered Bonds constitute Green Covered Bonds and an amount equal or equivalent to the proceeds will be used to finance and/or refinance, in whole or in part, new or existing Green Eligible Projects included or to be included in the Cover Pool as described in the Crédit Agricole Green Bond Framework, and as

supplemented in the appendix with regards to Crédit Agricole Italia Banking Group "Eligibility criteria for Italian Green Residential Real Estate" which are available on the website of the Issuer [https://static.credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15267/CREDIT-AGRICOLE\\_FRAMEWORK\\_framework-credit-agricole-group-green-bond.pdf](https://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15267/CREDIT-AGRICOLE_FRAMEWORK_framework-credit-agricole-group-green-bond.pdf) and at [https://static.credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15268/CA\\_Italia\\_Green\\_Covered\\_Bond\\_Annex\\_to\\_Green\\_Framework.pdf](https://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15268/CA_Italia_Green_Covered_Bond_Annex_to_Green_Framework.pdf).

*(If the Covered Bonds are Green Covered Bonds, describe the relevant projects to which the net proceeds of the Covered Bonds will be applied or make reference to the relevant bond framework to which the net proceeds of the Covered Bonds will be applied.)*

*(Applicable only in the case of securities to be classified as Green Covered Bonds. If not applicable, delete this paragraph.)*

*(See "Use of Proceeds" wording in Base Prospectus)*

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

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

**5. Fixed Rate Covered Bonds only – YIELD**

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

**6. Floating Rate Covered Bonds only – HISTORIC INTEREST RATES**

Details of historic [EURIBOR/ *specify other Reference Rate*] rates can be obtained from [Reuters]/[●]./[Not Applicable]

## 7. OPERATIONAL INFORMATION

ISIN Code:	[●]
Common Code:	[●]
CFI	[[●]/Not Applicable] as published on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
FISN	[[●]/Not Applicable] as published on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/ <i>give name(s), address(es) and number(s)</i> ]
Delivery:	Delivery [against/free of] payment
Names and Specified Offices of additional Paying Agent(s) (if any):	[●]
Deemed delivery of clearing system notices for the purposes of Condition 16 ( <i>Notices</i> ):	Any notice delivered to Covered Bondholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No][Not Applicable] [Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be held in a form which would allow Eurosystem eligibility ( <i>i.e.</i> issued in dematerialised form ( <i>emesse in forma dematerializzata</i> ) and wholly and exclusively deposited with Monte Titoli in accordance with article 83- <i>bis</i> of Italian Legislative Decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in article 83- <i>quater</i> of such legislative decree) and does not necessarily mean that the Covered Bonds will

be recognized 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.]

## 8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names and business address*]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give names and business address*]

If non-syndicated, name of Dealer: [Not Applicable/*give names and business address*]

U.S. Selling Restrictions: [Not Applicable/Compliant with Regulation S under the U.S. Securities Act of 1933]

Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(If the offer of the Covered clearly does not constitute "packaged" products, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]  
*(If the offer of the Covered clearly does not constitute "packaged" products, or the Covered Bonds do constitute "packaged" products and a KID will be prepared in the UK "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products, "Applicable" should be specified.)*

## USE OF PROCEEDS

The net proceeds from the issues of each Tranche of Covered Bonds will (as specified in the relevant Final Terms) be used by the Issuer either:

- in connection with the general funding purposes of the Crédit Agricole Italia Banking Group; or
- in the case of “green covered bonds”, in an amount equal or equivalent to the net proceeds, to finance and/or refinance, in whole or in part, new or existing eligible green projects included or to be included in the Cover Pool (the “**Green Eligible Projects**”), as described in the relevant Final Terms and in the Crédit Agricole Green Bond Framework (as amended and supplemented from time to time including the appendix to the green bond framework with regards to Crédit Agricole Italia Banking Group “*Eligibility criteria for Italian Green Residential Real Estate*” (the “**Appendix**”)) (the “**Green Bond Framework**”), such Covered Bonds being referred to as “**Green Covered Bonds**”.

In relation to Green Covered Bonds, the Green Bond Framework is based on the Green Bond Principles published by the International Capital Markets Association in its 2018 edition (the “**Green Bond Principles**”) and is available on the website of the Issuer ([https://static.credit-agricole.it/credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15267/CREDIT-AGRICOLE\\_FRAMEWORK\\_framework-credit-agricole-group-green-bond.pdf](https://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15267/CREDIT-AGRICOLE_FRAMEWORK_framework-credit-agricole-group-green-bond.pdf)). It may be further updated or expanded to reflect updates to the Green Bond Principles and evolutions in the activities of the Crédit Agricole Group. The Green Bond Framework sets out categories of Green Eligible Projects which have been identified by Crédit Agricole Group as part of priority activity sectors within the context of climate change mitigation.

Crédit Agricole S.A. and/or the Issuer, as applicable, have appointed Vigeo Eiris (“**Vigeo**”) to provide second party opinions (the “**Second Party Opinions**”) on, respectively, the Green Bond *Framework* and on any appendix applicable from time to time (including the Appendix), assessing their respective added value and alignment with the Green Bond Principles as applicable. These Second Party Opinions will be available on the website of the Issuer ([http://static.credit-agricole.it/credit-agricole-it/system/cariparma\\_core/attachment\\_file/data/15271/CREDIT-AGRICOLE\\_ITALIA\\_SECOND\\_PARTY\\_OPINION\\_greenbuilding\\_2020\\_0321\\_spo.pdf](http://static.credit-agricole.it/credit-agricole-it/system/cariparma_core/attachment_file/data/15271/CREDIT-AGRICOLE_ITALIA_SECOND_PARTY_OPINION_greenbuilding_2020_0321_spo.pdf)) and/or Crédit Agricole S.A..

Crédit Agricole Group will publish annual reports on the website of Crédit Agricole S.A. detailing the allocation of Green Covered Bond proceeds and the environmental impact of the Green Eligible Projects included in the Cover Pool.

Crédit Agricole S.A. may communicate publicly in the event of substantial changes in the Cover Pool. Crédit Agricole S.A. will also have an external auditor providing a limited assurance report on the main features of the Green Covered Bonds for the purposes of the preparation of the Crédit Agricole S.A. universal registration document.

## THE ISSUER

### 1. History and development of the Issuer

As at the date of this Base Prospectus, the Issuer is the Parent Company of the Crédit Agricole Italia Banking Group and is subject to the management and coordination of Crédit Agricole S.A..

The Bank was incorporated on 14 February 2000.

From 2000 to 2007, it was part of the Intesa San Paolo Group.

In March 2007, it was acquired by Crédit Agricole S.A.. Specifically, after obtaining the relevant authorizations from the Bank of Italy, Crédit Agricole S.A. and Fondazione Cariparma acquired 100% of the equity investment held by Intesa Sanpaolo S.p.A. in the Bank, for a price in cash of Euro 3.8 billion.

In 2007, in performance of the additional agreements signed in the same year by and between Crédit Agricole S.A. and Intesa Sanpaolo S.p.A., the Issuer acquired 202 former-Banca Intesa branches for a price in cash of Euro 1.3 billion. More specifically, (i) the acquisition of 173 branches was made directly by the Bank, by means of a share capital increase through contributions in kind pursuant to Articles 2440 and 2441, paragraph 4 of the Italian Civil Code, which was subscribed and paid up by means of the transfer of such branches, and immediate transfer of the ordinary shares resulting from the above share capital increase to Crédit Agricole S.A. and Fondazione Cariparma, effective as from 1 July 2007, proportionally to the stake of Issuer's the share capital held by them; (ii) the acquisition of the remaining 29 branches was made indirectly by the Issuer through Crédit Agricole FriulAdria (formerly Banca Popolare FriulAdria S.p.A.) (hereinafter referred to as "**Crédit Agricole FriulAdria**" or "**FriulAdria**") – a joint-stock company, of which the Issuer holds 81.28% – by means of a share capital increase through contributions in kind pursuant to Articles 2440 and 2441, paragraph 4 of the Italian Civil Code, subscribed and paid up by means of the transfer of such branches and immediate transfer of the shares resulting from the above share capital increase to Crédit Agricole Italia (which had become the Controlling Company of FriulAdria), effective as from 1 April 2007.

- (a) In the first half of 2011, the agreements signed by and between Crédit Agricole S.A. and Intesa Sanpaolo S.p.A. in February 2010 (as subsequently amended and integrated, specifically in July 2010) were performed,
- (b) Crédit Agricole Italia: (i) on 3 January 2011, it acquired a controlling stake of the share capital of Crédit Agricole Carispezia (formerly, Cassa di Risparmio della Spezia S.p.A.) (hereinafter referred to as "Crédit Agricole Carispezia" or "Carispezia"), from the owner Banca CR Firenze S.p.A.; this stake amounted to 80.00%, and the acquisition price was Euro 288 million; Crédit Agricole Italia collected the resources required to pay such price by means of a share capital increase by contributions in cash, the option on which was offered to shareholders pursuant to Article 2441 of the Italian Civil Code; (ii) on 28 March 2011, it received the transfer from Banca CR Firenze S.p.A., of 11 branches, as subscription and full payment of a share capital increase through contributions in kind pursuant to Article 2440 and 2441, paragraph 4 of the Italian Civil Code consisting of 6,512,140 shares; the total issue price of the new shares (including nominal value and premium) came to Euro 52,097,120; (iii) on 16 May 2011, it received the transfer from Intesa Sanpaolo S.p.A. of 70 branches, as subscription and full payment of a share capital increase through contributions in kind pursuant to Article 2440 and 2441, paragraph 4 of the Italian Civil Code consisting of 41,433,691 shares; the total issue price of the new shares (including nominal value and premium) came to Euro 331,469,528. On 23 May 2011, the shares issued by Crédit

Agricole Italia for the above share capital increases were transferred by Intesa Sanpaolo S.p.A. and Banca CR Firenze S.p.A. to Crédit Agricole S.A. (which purchased 90% of them) and Sacam International S.A.S. (which purchased 10% of them). Finally, on 5 August 2011, Crédit Agricole S.A. transferred 7,191,874 Crédit Agricole Italia shares to Fondazione Cariparma; as a result of this transaction, the equity interest percentages in Crédit Agricole Italia share capital are unchanged compared to the ones before the above transactions.

- (c) On 16 May 2011, the subsidiary Crédit Agricole FriulAdria received the transfer from Cassa di Risparmio del Veneto S.p.A. of 15 branches, as subscription and full payment of a share capital increase through contributions in kind pursuant to Article 2440 and 2441, paragraph 4 of the Italian Civil Code consisting of 1,221,280 shares; the total issue price of the new shares (including nominal value and premium) came to Euro 68,269,552. On 23 May 2011, the shares issued by Crédit Agricole FriulAdria for the above share capital increase were transferred by Cassa di Risparmio del Veneto S.p.A. to Crédit Agricole Italia.
- (d) On 11 May 2014, the subsidiary Carispezia, under the so-called Project Liguria, received the transfer from Crédit Agricole Italia of 16 branches. This operation was therefore realized through the transfer of a branch Business between Group companies. On May 11, 2014 has completed the share capital increase of Carispezia from the previous nominal Euro 98,155 thousand euro to 115,471 thousand euro, through the issue of 25,844,858 ordinary shares with a nominal value of 0.67 euro each, with no share premium, for a total of 17,316 thousand euro, subscribed and paid up (in accordance with articles. 2440 and 2441, paragraph 4, Civil Code, excluding the right of option) through the contribution in kind, by the Parent Company Crédit Agricole Italia, the business unit above.
- (e) On 22 September 2014 Crédit Agricole S.A. purchased from Fondazione Cariparma 1,5% of the Crédit Agricole Italia's capital share. Following this transaction, Crédit Agricole SA owns 76.5% stake in Crédit Agricole Italia, Sacam International 10.0%, and the Fondazione Cariparma 13.5%.
- (f) On 1 September 2015 Crédit Agricole Group Solutions S.c.p.A. was established to perform within the Group the activities related to the areas Operative Processes, Information Systems, Technical Logistics, Security, Business Continuity, Procurement and Property Management, Personnel Administration.
- (g) On 21 November 2016, the Extraordinary Shareholders' Meeting of the Issuer resolved to change the Issuer's company name from "Cassa di Risparmio di Parma e Piacenza S.p.A." and "CARIPARMA S.p.A." to "Crédit Agricole Cariparma S.p.A.". The change to the the Issuer's company name indicated above is effective from 21 November 2016. In addition to the above, the name of the banking group "Cariparma Crédit Agricole" has been changed to "Crédit Agricole Italia Banking Group". The rebranding was successfully launched: the brand was changed to enhance our belonging to the Crédit Agricole Group and to increase the marker's and customers' awareness that we are a sound, innovative and reliable international bank. On 26 February 2019, the Extraordinary Shareholders' Meeting of the Issuer resolved to change the Issuer's company name from "Crédit Agricole Cariparma S.p.A." to "Crédit Agricole Italia S.p.A.". The change to the the Issuer's company name indicated above is effective from 27 February 2019.
- (h) On 21 December 2017, Crédit Agricole Italia has concluded the acquisition of 95.3% stake in the share capital of Cassa di Risparmio di Cesena S.p.A., Cassa di Risparmio di Rimini S.p.A. and Cassa di Risparmio di San Miniato S.p.A. (the "**Banks**") from the Schema Volontario of the Fondo

Interbancario di Tutela dei Depositi.

- (i) On 8 February 2018, the Board of Directors of Crédit Agricole Italia, Cassa di Risparmio di Cesena S.p.A., Cassa di Risparmio di Rimini S.p.A. and Cassa di Risparmio di San Miniato S.p.A. approved the plan of merger by absorption of Cassa di Risparmio di Cesena S.p.A., Cassa di Risparmio di Rimini S.p.A. and Cassa di Risparmio di San Miniato S.p.A. into Crédit Agricole Italia.
- (j) On 24 June 2018 Crédit Agricole Italia merged by absorption Cassa di Risparmio di San Miniato S.p.A.;
- (k) On 22 July 2018 Crédit Agricole Italia merged by absorption Cassa di Risparmio di Cesena S.p.A.;
- (l) On 9 September 2018 Crédit Agricole Italia merged by absorption Cassa di Risparmio di Rimini S.p.A.;
- (m) On 16 November 2018, the Boards of Directors of Crédit Agricole Italia and of its subsidiary Crédit Agricole Carispezia approved the plan of merger by absorption of Crédit Agricole Carispezia into Crédit Agricole Italia. On 26 February 2019, the Extraordinary Meeting of Crédit Agricole Italia approved the plan of merger by absorption of Crédit Agricole Carispezia into Crédit Agricole Italia;
- (n) On 21 July 2019 Crédit Agricole Italia merged by absorption Crédit Agricole Carispezia S.p.A.;
- (o) On 23 November 2020 Crédit Agricole Italia launched a voluntary public tender offer entirely cash for all ordinary shares of Credito Valtellinese S.p.A..

#### **Company name**

The Issuer's company name is Crédit Agricole Italia S.p.A..

#### **Issuer Legal Entity Identifier ("LEI")**

8156007D348794DB1690

#### **Place of registration of the Issuer and its registration number**

The Issuer is on the Business Register of Parma, Italy, at entry number 02113530345. The Issuer is also on the Register of Banks held by the Bank of Italy at entry No. 5435.

#### **Date of incorporation and length of life of the Issuer, except where indefinite**

The Issuer is a joint-stock company incorporated by deed of Angelo Busani, Notary public, with Record No. 60722/16828 of 14 February 2000.

The Issuer is the Parent Company of the Crédit Agricole Italia Banking Group.

The duration of the Issuer is set, pursuant to Article 3 of its Articles of Association, up to 31 December 2100 and may be extended.

#### **Domicile and legal form of the Issuer, legislation under which the Issuer operates, its country of incorporation, website address and address and telephone number of its registered office.**

Crédit Agricole Italia is a joint-stock company incorporated in Parma, Italy and operating under the Italian law. The address of the Issuer's registered office is Via Università 1, 43121 Parma, Italy. The telephone number is: +39 0288245208.

#### **Website**

The Issuer's website is: <https://gruppo.credit-agricole.it/>



## Consolidated Results of Operations and Financial Position of the Crédit Agricole Italia Banking Group

The table below reports the main performance and financial line items of the Crédit Agricole Italia Banking Group, derived from the Crédit Agricole Italia Banking Group Interim Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2020 (with comparative data for the six months ended 30 June 2019) and at 31 December 2019, which were approved by the Board of Directors on 23 July 2020 and 20 March 2020, respectively, and reviewed and audited, respectively, by the Independent Auditors that issued their review report on 30 July 2020 and audit report on 6 April 2020, respectively.

In this regard, it is pointed out that the Crédit Agricole Italia Banking Group Consolidated Results as at and for the six months ended 30 June 2020, approved by the Board of Directors on 23 July 2020, were prepared on the basis of the Issuer's draft Semi-annual Report and Separate Financial Statements as at and for the six months ended 30 June 2020.

The consolidated income statements highlights of the Crédit Agricole Italia Banking Group for the six months ended 30 June 2020 and 30 June 2019 and the consolidated balance sheet highlights as at 30 June 2020 and as at 31 December 2019 are summarized hereinafter.

Income Statement highlights  (thousands of Euro)	Six-months ended 30 June 2020	Six-months ended 30 June 2019	Changes	
			Absolute	%
Net interest income	479,838	507,849	-28,011	-5.5
Net fee and commission income	411,413	448,186	-36,773	-8.2
Dividend Income	10,378	11,270	-892	-7.9
Net income from banking activities	1,175	1,292	-117	-9.1
Other operating income (expenses)	10,825	7,214	3,611	50.1
Net operating income	913,629	975,811	-62,182	-6.4
Operating expenses	-608,121	-616,772	-8,651	-1.4
Operating margin	305,508	359,039	-53,531	-14.9
Cost of risk (a)	-228,841	-126,917	101,924	80.3
Of which net value adjustments of loans	-224,549	-123,700	100,849	81.5
Net profit for the period	96,824	156,310	-59,486	-38.1

(a) The cost of risk includes provisioning for risks and charges, net value adjustments of loans and impairment of securities

Balance Sheet highlights	30 June 2020	31 December	Changes

		2019		
(thousands of Euro)			Absolute	%
			Net Financial Assets/Liabilities at fair value	49,259
Financial assets measured at fair value through other comprehensive income	3,018,764	3,068,244	-49,480	-1.6
Equity investments	20,483	20,483		
Property, plant and equipment and intangible assets	2,845,619	2,930,455	-84,836	-2.9
Total net assets	63,296,494	60,828,784	2,467,710	4.1
Net due from banks	1,020,076	1,360,306	-340,230	-25.0
Equity	6,489,563	6,443,796	45,767	0.7

In the first half of 2020, the Crédit Agricole Italia Banking Group proved once again its ability to generate sustainable profitability, effectively addressing and managing the health emergency.

Net income came to Euro 97 million, down by -38% YOY, after prudential non-recurring provisions for the Covid-19 crisis (Euros 108 million). Net income would be at Euro 121 million excluding the contribution to the Single Resolution Fund and extraordinary expenses incurred to manage the health emergency.

Net operating revenues came to Euro 914 million, down by -6.4% vs. the previous year, and were affected by the restrictive measures deployed at a national level in order to contain the pandemic.

In a macroeconomic scenario featuring uncertainty and firmly negative interest rates, net interest income came to Euro 480 million, decreasing by -5.5% vs. the previous year. This figure was also impacted by changes in market rates, which were driven to new all-time lows by the expansionary measures deployed by Central banks and, therefore, triggered requests for repricing of outstanding loans to customers.

In the first six months of 2020, net fee and commission income came to Euro 411 million, down by 8.2% YOY, despite showing, in the first months of 2020, a marked increase vs. 2019. However, the months of lockdown reversed this trend: the decrease was similar (-8%) both in traditional fees and commissions because of the reduction in the commercial banking business operations (collections and payments, e-money, recovery of expenses for transactions, origination of loans), and in management, intermediation and advisory services, where the decrease, which was larger in income from product placement (asset management, policies, consumer loans) was mitigated by recurring and maintenance fees and commissions.

Other net operating income came to Euro 10.8 million, increasing by Euro 3.6 million vs. 2019 and report also the finalization of the settlement agreement about the liability action against the former directors of Cassa di Risparmio di Rimini. The balance also reports the adjustment price component (amounting to €9.8 million) regarding the sale of the equity investment in in CA Vita made in previous years.

Operating expenses came to Euro 608 million, decreasing by Euro -9 million (down by -1.4% YOY). Personnel cost (Euro 352 million) decreased by Euro 13 million YOY and benefited from the turnover effect, the release of provisions that had become excess, from lower indirect personnel costs, also subsequent to the high weight of the smart working mode.

Other administrative expenses came to Euro 171 million, decreasing by Euro 1 million, despite the impact of a Euro 14 million increase in costs: for Euro 11 million these higher costs were for the measures deployed to address the Covid-19 health emergency (purchase of personal protective equipment, extraordinary sanitization of the premises, maintenance and works on the systems, laptops for employees in order to increase work from home and larger service activities to handle applications for loans backed by State guarantees), whereas, for Euro 3 million, higher costs report the contributions to the banking system (SRF). The aforementioned higher costs were offset by the cost control policies (reduction in discretionary expenses and renegotiation of contract agreements), along with natural savings generated by the lockdown (lower travelling expenses, lower costs for external processing). The "depreciation and amortization" item came to Euro 85 million, increasing by Euro 6 million (up by + 7%) as the investment provided for in the 2019/2022 MTP became operational.

Because of the decreased in income, the cost/income ratio, net of the contributions to the Italian banking system (Euro 25.2 million in 2020) increased from 60.9% as at 30 June 2019 to 63.8 % (62.6% net of the higher costs to address the Covid-19 pandemic).

Net provisions for risks and charges came to Euro 3.2 million, essentially in line with the same figure for H1 2019.

The rapid deterioration in the economic scenario, albeit expected to progressively recover from 2021, has been addressed with a more prudential provisioning policy, which led to increase adjustments of loans to Euro 225 million (up by €101 million, *i.e.* +81%); this allocation includes higher adjustments of performing loans (up by Euro 54 million, of which €47 million on stage 2) due to the revision of the "Forward Looking" scenarios, as centrally defined by the French Parent Company, and higher coverage of non-performing loans, which absorbed Euro 165 million (vs. Euro 121 million in 2019), especially on Unlikely to Pay (UTP).

The ratio that expresses the annualized cost of credit risk (the ratio of the relevant adjustments taken to the Income Statement to net loans to Customers) came to 92 bps vs. 54 bps in H1 2019.

Furthermore, in H1 2020, real estate transactions were carried out in order to make property management more efficient, which generated capital gains totalling Euro 66 million.

Profit net of taxes (Euro 41 million) and net of minority interests (Euro 4 million) came to Euro 97 million, vs. Euro 156 million in 2019 (down by -38.1%).

Comprehensive income as at 30 June 2020 came to Euro 73 million and consisted of the profit for the period (Euro 101 million, gross of minority interests) and of the value changes in assets directly recognized in equity reserves, decreasing by Euro 24 million (mostly reporting the fair value changes in securities held), net of minority interests (Euro 4 million).

**Disclosure regarding any recent events relevant to the evaluation of the Issuer's solvency**

From 30 June 2020 to the date of approval of the half-yearly report and condensed consolidated financial statements, no events occurred that could materially affect the structure of the Crédit Agricole Italia Banking Group.

In relation to the events occurred in the period following the date of approval of the half-yearly report and condensed consolidated financial statements see “*Information on expected trends*” below.

## **2. BUSINESS OVERVIEW**

### **A brief description of the Issuer's principal activities and principal categories of products sold and/or services provided**

The Issuer is a joint-stock company incorporated on 14 February 2000, subject to the control, management and coordination activity, pursuant to Article 2497 and subsequent ones of the Italian Civil Code, of Crédit Agricole S.A. and Parent Company of the Crédit Agricole Italia Banking Group, which operates in the banking business in the segments of collection of savings and lending in its various forms, both directly and through its subsidiaries.

Specifically, as at 30 June 2020, the Crédit Agricole Italia Banking Group operates in the 11 most attractive regions in the Italian domestic market with a banking network consisting of around 900 branches. Crédit Agricole Italia is directly operating mainly in the Emilia-Romagna Region, in the cities of Parma, Piacenza, Cremona and Pavia, in the Liguria Region, as well as it is present in the main production centers of the country, such as Turin, Milan, Florence, Bologna, Rome and Naples. It is indirectly operating, through Crédit Agricole FriulAdria, with a network of 160 branches, in the Veneto and Friuli Venezia Giulia Regions.

The Issuer may, in compliance with the regulations in force, carry out, directly and through subsidiary companies, all operations and banking and financial services permitted, including the undertaking and management of equity investments, as well as the formation and management of open or closed complementary pension schemes. In this context, it provides its customers with a wide range of services, since it operates in credit intermediation, which consists of funding from and lending to retail and private banking customers, in financial intermediation, asset management, placing, trading financial instruments, also on-line trading, collection and payment services (provided also through on-line banking) and in private banking. Moreover, it supplies banca assurance, leasing and factoring products to its customers.

Finally, it carries out, for both the Crédit Agricole Italia Banking Group, of which it is the Parent Company, and for the Crédit Agricole Italia Banking Group, of which it is part, any other activity that is ancillary or however associated to the achievement of the above Crédit Agricole Italia Banking Group' corporate purpose and interests.

#### **A) *Credit intermediation activities***

Within credit intermediation, the Issuer's operations consist in funding and lending, from and to retail, corporate and private banking customers, as well as from and to banks.

The Issuer has diversified the range of financial products it supplies, making them fit to meet the customers' specific requirements. The Bank's traditional customers are individuals and households, small and medium enterprises and public bodies, including schools, health bodies and Municipalities.

The Issuer's strong bond with the main areas of operations, as well as the quality of the products and services it provides, have led to significant customer retention.

As at 30 June 2020, the Bank's consolidated funding, including funding from banks, came to Euro 57,534,355 thousands, of which Euro 45,433,823 thousands (equal to 79.0%) from customers and Euro 12,100,532 thousands from banks.

### Funding from customers

The Issuer's direct funding is made through current accounts, bonds, repurchase agreements, saving deposits and deposit certificates. Short-term technical forms are mainly current accounts, while a significant portion of medium- and long-term ones consists of bonds. The following table shows the breakdown by technical form of the Issuer's consolidated direct funding as at 30 June 2020 and 31 December 2019.

Funding from Customers Items	30 June 2020	31 Dec. 2019	Changes	
			Absolute	%
- Deposits	1,443,684	1,687,289	-243,605	-14.4
- Current and other accounts	39,872,265	38,635,246	1,237,019	3.2
- Other items	263,288	285,139	-21,851	-7.7
<b>Due to customers</b>	<b>41,579,237</b>	<b>40,607,674</b>	<b>971,563</b>	<b>2.4</b>
<b>Debt securities issued</b>	<b>10,316,649</b>	<b>9,102,590</b>	<b>1,214,059</b>	<b>13.3</b>

### Loans to Customers

The Issuer's consolidated loan portfolio is composed of short-term and medium-/long-term cash loans, as well as of guarantees. The Issuer's Customers mainly belong to the retail segment. In the first half of 2020, the Crédit Agricole Italia Group substantiated again its role supporting households and businesses.

The following table shows the breakdown by technical form of consolidated data relating to the Issuer's loans to customers, as at 30 June 2020 and 31 December 2019.

LOANS TO CUSTOMERS Items	30 June 2020	31 Dec. 2019	Changes	
			Absolute	%
- Current accounts	1,860,486	2,431,718	-571,232	-23.5
- Mortgage loans	30,081,221	28,838,102	1,243,119	4.3
- Advances and credit facilities	15,333,873	13,769,973	1,563,900	11.4
- Non-performing loans	1,563,276	1,646,613	-83,337	-5.1
<b>Loans to customers</b>	<b>48,838,856</b>	<b>46,686,406</b>	<b>2,152,450</b>	<b>4.6</b>

Securities measured at amortized cost	5,130,912	4,913,787	217,125	4.4
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**B) Financial intermediation activities**

The Issuer may carry out proprietary trading and trading on behalf of customers in financial markets. In this way, the Issuer concomitantly pursues two objectives, that is to say, effective financial planning in management and optimization of financial risks associated to the money market, currency and bond portfolios, as well as high effectiveness of service to its network and, therefore, to its customers. The Issuer also operates in selling derivative products to hedge customers interest rate and exchange rate risks, as well as in trading of exchanges on behalf of customers.

**C) Indirect funding**

The Issuer operates in the sector of assets under management with a wide range of products and services including securities asset management and collective investment schemes mainly through the Amundi Group and Crédit Agricole CIB. Moreover, the Issuer distributes life insurance policies.

The following table shows the data relating to the Bank's indirect funding, for both assets under management and under administration.

INDIRECT FUNDING Items	30 June 2020	31 Dec. 2019	Changes	
			Absolute	%
- Asset management products	16,674,549	17,316,598	-642,049	-3.7
- Insurance products	20,716,774	20,682,863	33,911	0.2
<b>Total assets under management</b>	<b>37,391,323</b>	<b>37,999,461</b>	<b>-608,138</b>	<b>-1.6</b>
<b>Assets under administration</b>	<b>34,886,361</b>	<b>33,295,070</b>	<b>1,591,291</b>	<b>4.8</b>

**D) Leasing, factoring**

The Issuer provides its customers with so-called "parabanking" products and services, such as lease and factoring contracts, as well as insurance products through cooperation agreements with specialized intermediaries.

**Leases**

The Issuer distributes leasing services for property and operating assets through Crédit Agricole Leasing Italia S.r.l. (CALIT).

In that unfavourable scenario, CALIT proved able to make the most of the opportunities resulting from its belonging to the Crédit Agricole Group and to propose more efficient lease solutions to meet Customers' needs, also seizing the advantages from the measures issued to support the real economy (super-depreciation and hyper-depreciation and the Sabatini TER Act, which are incentives available to Customers that have leases in force). The Company's business performance showed new production

coming to Euro 638.4 million in terms of volumes, stable vs. 2018 (up by +0.2% YOY), and 3,985 new contracts (up by +1.2% YOY), outperforming, in 2019, the all-time record achieved in 2018.

#### ***E) Distribution network***

The Issuer provides services through a complex and integrated multichannel network. As at 30 June 2020, this network consisted of the following channels.

- **Traditional network of branches** – As at 30 June 2020, overall, the Issuer's network at a consolidated level consisted of 895.
- **Debit, credit and payment cards** – The bank offers its customers two debit cards, a cobadge operating both on the Italian national Bancomat / Pagobancomat circuit and on the international Maestro circuit, and a second card operating only on the international Mastercard Debit circuit. Thanks to the adoption of the OLI (online issuing) method, the payment authorization is given after checking the actual amount available on the related current account, almost eliminating the risk. The bank also provides its customers with a prepaid card, which can also be issued to people without a current account. As far as credit cards are concerned, the Bank's offer is based on Nexi credit cards with a preset credit limit and single payment, with their own authorized layout.
- **Multimedia distribution channels (e-banking)** – Pursuing the strategy for implementation and development of the multichannel distribution program, the Issuer provides e-banking services to retail, business and enterprise customers.

For retail customers, phone banking, mobile alert, internet and mobile banking services are available, which allow information to be obtained on current accounts, debit cards, securities accounts and loans, as well as payment orders to be given, alert text messages to be received and some banking products to be activated directly on-line.

For all customers and in view of an evolution of the service model, the new advanced branches have a self-area, where retail and business customers can, fully independently and saving time and money, make the main banking transactions, such as credit transfers, payments and deposits.

In order to face the sudden changes that technological innovation constantly brings to the market and to customers' behaviour, the Crédit Agricole Italia Banking Group has implemented a multichannel/digital transformation programme, which has comprised the launch of new innovative tools and portals/App. Such programme is based on the following strategic directions:

- Innovation of digital platforms: in terms of evolution of the existing platforms and launch of innovative ones.
  - Among these, there is the possibility to access and authorize payment's orders by the biometric recognition system such as Touch ID and Face ID, available for home banking and App designed for Small and Medium Enterprises;
  - The ability to monitor the loan has been integrated into the App by MutuoMap which is the new tracking service, that allows the customer to follow the progress of the loan application directly from their smartphone until the signing, to upload any missing documents online. Another important service is Mobile collaboration, the new service that allows account holders, with at least one active Securities dossier, to receive and accept investment proposals shared with the consultant.

Mobile Payments are growing more and more. Most of the payments that previously could only be made with Home banking are now also available from the app. Such as the payment of taxes 24, payment of the public administration, and car tax

- Branch-Digital integration:
  - o Tools have been implemented for contact with customers using advanced techniques, also remotely (chat/ audio/ video)
  - o Asset management platforms/processes have been developed (PFP, new sale process with remote assistance for wealth management products) with the possibility for customers to make remote transactions, such as Web Collaboration. Thanks to Web collaboration, the consultants from the branch were able to remotely sell insurance products such as CA VITA SOSTENIBILE, with quick and easy steps;
  - o Tool Loans is an easy process that allows consultants to digitally upload all the phases of the loan management process: estimate, sell and archive of the loans documents;
- Evolution in customer services (Phone Bank) role from customer assistance center to customer Experience core element. The organizational structure has been significantly strengthened in terms of resources, tools and skills, also providing for a “multi-center” organization throughout the communities the Group operates in. Specific campaigns were made to evaluate the customer satisfaction index. So that, we can improve where it is needed. Customers who are on the bank's acquisition site can contact the Chat bot, asking questions relating to the topic. Concerning the customer's question, the answer will be directed to the Chat bot or to customer's service;
- Increasing Digital Acquisition, through dedicated web portals (Conto Adesso, Mutuo Adesso), and important innovations in the opening process. To customers that do not live in the communities where the Group has branches or that prefer to interact with their Bank remotely while all the same having a dedicated account manager, the new Virtual Branch is now available.
  - o Next steps about it will be increasing integration of the services that the customer can request when opening online, for example securities dossier.
  - o Development and involvement of strategic partnerships that through well-targeted campaigns, initiatives and competitions with the goals of: Acquisition of new customers, focus on Online Bank Account and Mortgage products, develop Onboarding processes and Cross Selling on customer base like: Credit Card, Personal Loan, Assurance.
- **Network of Private Banking Units** – Because of its complexity and the type of customers it is designed for, this service represents the natural evolution of the know-how acquired in customized asset management. In 2000, the Issuer opened units exclusively dedicated to Private Banking operations, thus upgrading its structure to meet the increasing demand for these financial services, which are presented and provided in dedicated rooms that are more welcoming and allow for more



confidentiality. As at 30 June 2020, at a consolidated level, 23 Private Banking Centres and 16 sub-centers.

- **Network of Corporate Banking Units** – The Enterprise and Corporate Channels are the Crédit Agricole Italia Banking Group's response to the demand by medium and large companies for a targeted, customized and highly professional service, including advisory services. As at 30 June 2020 the sales network consists of 27 mid-corporate centres, 10 sub-centers and 1 large corporate area.
- **Network of Financial Advisors** – An innovative and digitally integrated advisory service on investments, which has been designed to meet the expectations of the most demanding customers through its own network of financial advisors. As at 30 June 2020, at a consolidated level, 13 centres.

#### **Indication of new products and/or new services, if significant**

The Issuer has not introduced any products that are not included in categories usually marketed and amount to a significant contribution to profit margins.

#### **Principal markets**

As at 30 June 2020, the Crédit Agricole Italia Banking Group was operating in the 11 most attractive regions in the Italian domestic market with a banking network consisting of 895 branches. Crédit Agricole Italia was directly operating mainly in the Emilia-Romagna Region, in the cities of Parma, Piacenza, Cremona and Pavia, as well as in the Liguria and Campania Regions; it was indirectly operating, through Crédit Agricole FriulAdria, in Veneto and Friuli Venezia Giulia Regions.

As at the same date, the Crédit Agricole Italia Banking Group held a 3.6% market share in terms of branches at a national level (calculated as percentage of branches).

As at June 2020, the workforce consisted of 9,685 employees, decreasing by -0.7% over 31 December 2019.

### **3. ORGANIZATIONAL STRUCTURE**

#### **Brief description of the Crédit Agricole Italia Banking Group of which the Issuer is part and of the Issuer's position within the Crédit Agricole Italia Banking Group**

The Issuer is the Parent Company of the Crédit Agricole Italia Banking Group and, subsequent to its sale by the Intesa Sanpaolo Group, finalized on 1 March 2007, is subject to the control, management and coordination of Crédit Agricole S.A.

Crédit Agricole S.A. operations cover 6 sectors: Retail Bank in France – Caisses régionales; Retail Bank in France – LCL (Le Crédit Lyonnais); International Retail Bank; Specialized Financial Services; Savings Management; Corporate and Investment Banking, to which Proprietary Management and Management on behalf of third parties is to be added.

#### **Retail Bank in France – Caisses Régionales**

Crédit Agricole Caisses Régionales supply various types of banking and financial products and services, including payment services, bank deposits and, life insurance policies, loans, especially mortgage and consumer lending, to businesses and freelancers, parabanking and asset management services. The Caisses Régionales also supply a wide range of insurance, IARD and pension products, as well as life

insurance products.

### **Retail Bank in France – LCL Network**

This division includes the operations of the LCL Network in France; its main features are a strong presence in urban areas and segmentation of its customer base. This division is subdivided into four business segments: retail bank for individuals and households, retail bank for freelancers, financial management and intermediation services for private banking and enterprise customers. It supplies all banking products and services, including asset management and insurance services.

### **International Retail Bank**

This division includes foreign subsidiaries and associates – integrated on a line-item basis or with the equity method – which mainly operate in the retail banking sector. Crédit Agricole S.A. is a leading player in the retail banking sector in Europe, especially in the Eurozone Countries and, to a lesser extent, in Africa/Middle East and Latin America.

### **Specialized Financial Services**

This division includes the Crédit Agricole Italia Banking Group entities that supply banking products and services to individuals and households, freelancers, businesses and local authorities in France and abroad. Specifically, this division includes consumer credit services – mainly through Sofinco and Finaref in France, and through lease captives or partnerships abroad (including Agos Ducato) – mainly by means of the Crédit Agricole Leasing and Factoring Group.

### **Saving management**

This division includes: management services for collective investment funds and asset management services, mainly provided through the Amundi Group (70% CASa); financial services for institutional customers through CACEIS, a specialized subsidiary; insurance services through Crédit Agricole Assurances, which in Italy operates through CaVita for the life insurance line and through CA Assicurazioni for the non-life insurance line; parabanking insurance services; private banking services, mainly provided through *Banque de Gestion Privée Indosuez* (BGPI) and divisions of Crédit Agricole CIB (Crédit Agricole Suisse, Crédit Agricole Luxembourg, Crédit Foncier de Monaco)

### **Corporate and Investment Bank**

This division includes two large business lines, essentially dealt with by Crédit Agricole CIB:

(i) market and investment banking, which covers all operations on capital markets, the equity sector (intermediation, fixed-term contracts), the primary market and advisory services on mergers and acquisitions;

(ii) corporate banking, which covers typical bank lending and structured finance: project finance, loans in the real estate and hotel sectors, distressed assets management.

### **Proprietary Management and Management on behalf of third parties**

This division mainly covers the activities performed by Crédit Agricole S.A. in its capacity as central body of the Crédit Agricole Italia Banking Group and includes the management of assets/liabilities and of debts linked to the acquisitions of subsidiaries or equity investments.

It also covers the management of income from the private equity business, of profit or loss of several other companies in the Crédit Agricole Italia Banking Group, as well as of dividends or other income and

expenses of Crédit Agricole S.A. from its equity investments and other non consolidated securities (excluding the international banking network).

Moreover, Crédit Agricole S.A. consolidates the net effects of tax integration of the Crédit Agricole S.A. and Crédit Lyonnais Groups, as well as any differences between standard rates to be applied to each business segment and the actual tax rates to be applied to each subsidiary.

Crédit Agricole S.A. operations cover 6 sectors: Retail Bank in France – Caisses régionales; Retail Bank in France – LCL (Le Crédit Lyonnais); international Retail Bank; Specialized Financial Services; Savings Management; Corporate and Investment Banking, to which Proprietary Management and on behalf of third parties is to be added.

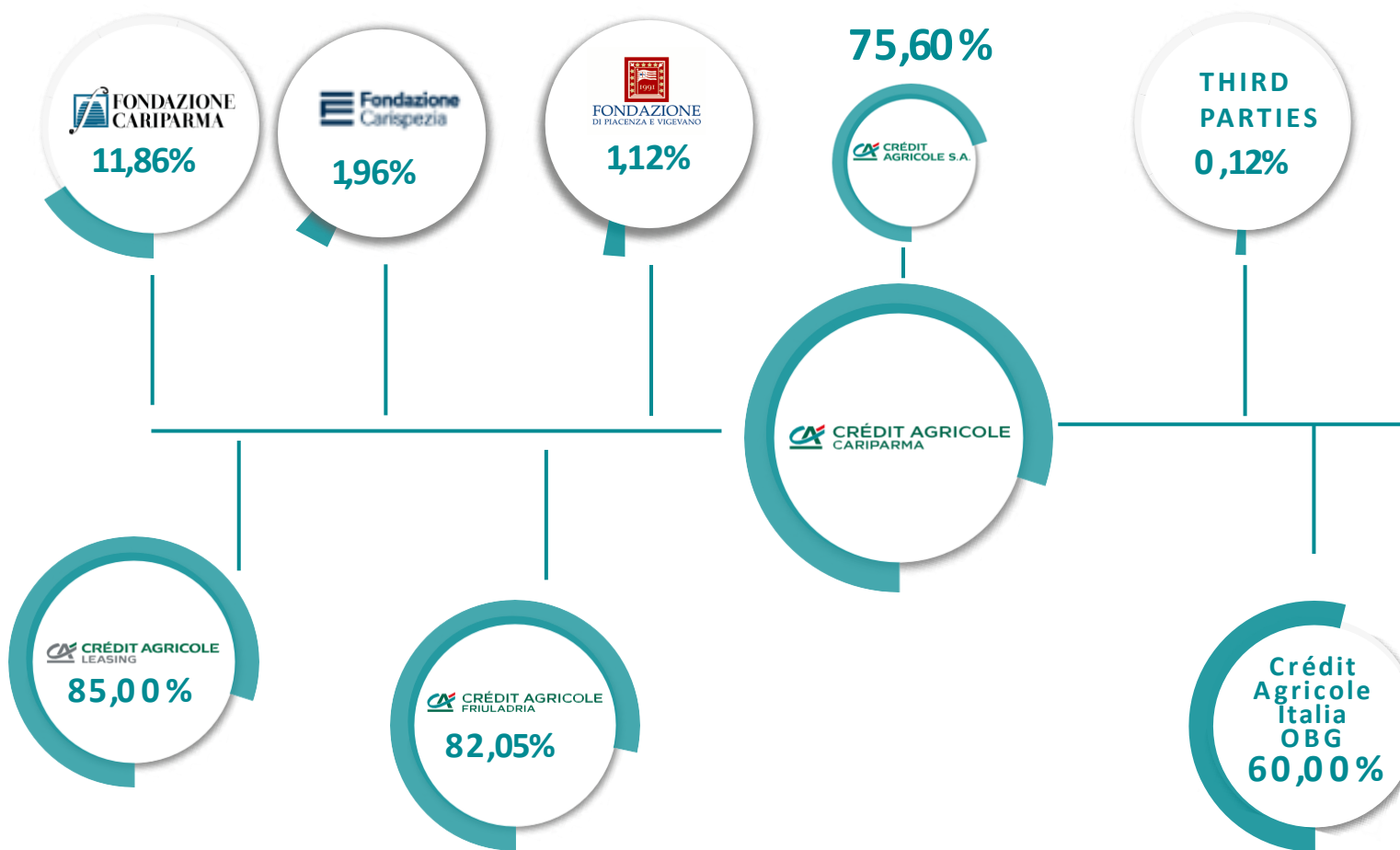
**The Issuer's dependence upon other entities within the Crédit Agricole Italia Banking Group of which it is part of**

As at the date of approval of the Base Prospectus, the Issuer was controlled by Crédit Agricole S.A., which holds 75.6% of the Issuer's share capital.

The Issuer is also subject to the management and coordination of Crédit Agricole S.A., pursuant to Article 2497 and subsequent ones of the Italian Civil Code.

A graph of the Crédit Agricole Italia Banking Group structure as at the date of approval of the Base Prospectus is given below.

Note: Crédit Agricole Italia S.p.A. owns also 100% of SPV "Sliders S.r.l.", 100% of SPV "Italstock S.r.l." and 19% of SPV "MondoMutui Cariparma S.r.l.".



#### 4. INFORMATION ON EXPECTED TRENDS

##### Negative changes in the Issuer's prospects

After publication of the Crédit Agricole Italia Banking Group's latest Semiannual Report and Consolidated Financial Statements as at 30 June 2020, which were subjected to limited review, no substantial negative changes in the Crédit Agricole Italia Banking Group's prospects have occurred.

##### Trends, uncertainties, claims, commitments or known facts that could generate impacts on the Issuer's prospects

On 23 November 2020 Crédit Agricole Italia launched a voluntary public tender offer entirely cash for all ordinary shares of Credito Valtellinese S.p.A.. For more information about the offer, please make reference to Section "*Recent Developments*".

##### Covid – 19

There is still a climate of uncertainty linked to the evolution of the Covid-19 pandemic, as reported in the half-year report on consolidated financial statements as at 30 June 2020.

#### 5. DIRECTORS, SENIOR MANAGERS AND MEMBERS OF THE SUPERVISORY BODIES

##### Members of the administrative, management and supervisory bodies

The list of the members of the administrative, management and supervisory bodies of the Issuer as at the date of approval of the Base Prospectus and the offices held in other companies.

##### Board of Directors

NAME AND SURNAME	OFFICE HELD IN CA ITALIA	OFFICES HELD IN OTHER COMPANIES
Ariberto Fassati	Chairperson of the Board of Directors	<ul style="list-style-type: none"><li>– Chairperson of Crédit Agricole Leasing Italia S.r.l.</li><li>– Deputy Chairperson of Crédit Agricole FriulAdria S.p.A.</li><li>– Director of:<ul style="list-style-type: none"><li>○ Italian Banking Association (Italian acronym: ABI)</li><li>○ Interbank Deposit Protection Fund (Italian acronym: FITD)</li></ul></li></ul>
Xavier Musca	Deputy Chairperson	<ul style="list-style-type: none"><li>– Deputy CEO of Crédit Agricole S.A.</li><li>– Chairperson of<ul style="list-style-type: none"><li>• Crédit Agricole Consumer Finance</li><li>• Amundi S.A.</li></ul></li><li>– Deputy Chairperson of:<ul style="list-style-type: none"><li>• Predica S.A.</li></ul></li><li>– Director of</li></ul>

		<ul style="list-style-type: none"> <li>• Crédit Agricole Assurances S.A.</li> <li>• Pacifica S.A.</li> </ul> <p>– Director of CAP Gemini S.A.</p>
<b>Giampiero Maioli</b>	<b>Chief Executive Officer, Director and Chairperson of the Executive Committee</b>	<p>– Senior Country Officer of Crédit Agricole Group in Italy</p> <p>– Member of the Executive Committee of Crédit Agricole S.A.</p> <p>– Chairperson of Crédit Agricole Group Solutions S.C.p.A.</p> <p>– Director of Crédit Agricole FriulAdria S.p.A.</p> <p>– Deputy Chairperson of:</p> <ul style="list-style-type: none"> <li>• Crédit Agricole Vita S.p.A.</li> <li>• Amundi SGR S.p.A.</li> </ul> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Crédit Agricole Leasing Italia S.r.l.</li> <li>• Agos Ducato S.p.A.</li> </ul> <p>– Deputy Chairperson, member of the Executive Committee and of Presidential Committee of the Italian Banking Association (Italian acronym: ABI)</p> <p>– Member of the Strategic Board of Fondazione Università Ca' Foscari</p> <p>– Member of the Executive Board of FeBAF (Federazione delle Banche, delle Assicurazioni e della Finanza)</p>
<b>Evelina Christillin</b>	<b>Director, Chairperson of Remuneration Committee, Member of Nomination Committee, and Alternate Member of the Related Parties Committee</b>	<p>– President of Fondazione Museo delle Antichità Egizie di Torino;</p> <p>– Member of the FIFA Council (Fédération Internationale de Football Association)</p>
<b>Hervé Le Floc'h<sup>(2)</sup></b>	<b>Director and Member of Nomination Committee</b>	<p>– Chairperson of Caisse Régionale de Crédit Agricole Mutuel Morbihan</p> <p>– Member of the Supervisory Board of Crédit Agricole Titres</p> <p>– Director of SAS Pleinchamp</p>
<b>Daniel Epron</b>	<b>Director</b>	<p>– Chairperson of:</p> <ul style="list-style-type: none"> <li>• Caisse Régionale of Crédit Agricole Normandie</li> <li>• Sofinormandie S.S.</li> </ul> <p>– Director of:</p>

		<ul style="list-style-type: none"> <li>• Crédit Agricole S.A.</li> <li>• SCI CAM</li> <li>• SAS Rue La Boétie</li> <li>• CA Services GIE</li> <li>• CA Technologie GIE</li> <li>• Bureau Fédéral de la Fédération Nationale du Crédit Agricole (F.N.C.A.)</li> </ul> <p>– Member of French Economic and Social Committee</p>
<b>Nicolas Langevin</b>	<b>Director and Member of Risk Committee</b>	<p>– General Manager of Caisse Régionale of Crédit Agricole Mutuel Toulouse 31</p> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• IFCAM</li> <li>• SA Grand Sud Ouest Capital</li> <li>• SAS Pleinchamp</li> <li>• Crédit Agricole Immobilier</li> </ul>
<b>Michel Mathieu</b>	<b>Director and Member of Remuneration Committee</b>	<p>– Deputy General Manager of Crédit Agricole S.A.</p> <p>– General Manager of LCL - Le Crédit Lyonnais S.A.</p> <p>– Chairperson of Board of Directors of Crédit Agricole Creditor Insurance</p> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Amundi S.A.</li> </ul> <p>– Predica S.A.</p>
<b>François Edouard Drion</b>	<b>Director and Member of Executive Committee</b>	<p>– Responsible of the Banque de Proximité à l'International of Crédit Agricole S.A.</p> <p>– Chairperson of Supervisory Board of Crédit Agricole Bank Polska</p> <p>– Chairperson of IUB Holding</p> <p>– Deputy Chairperson of the Supervisory Board of Crédit Agricole du Maroc</p> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Crédit Agricole Egypt</li> <li>• CA Payment Services</li> <li>• Crédit Agricole Creditor Insurance</li> </ul>
<b>Christian Valette<sup>(1)</sup></b>	<b>Director and Member of Executive Committee</b>	<p>– General Manager of Caisse Régionale of Crédit Agricole Mutuel de Nord de France</p> <p>– Chairperson of:</p> <ul style="list-style-type: none"> <li>• SAS C2MS</li> <li>• SAS AVEM</li> <li>• Santeffi SAS</li> <li>• Paymed SAS</li> </ul> <p>– Director of:</p>

		<ul style="list-style-type: none"> <li>• CAMCA</li> <li>• Crédit Agricole Cards &amp; Payments (CAPS)</li> </ul> <p>– General Manager of Gérant de la SCI Bubbles Family</p>
<b>Annalisa Sassi</b>	<b>Deputy Chairperson and Member of Executive Committee</b>	<p>– Managing Director of Sant’Anna S.r.l.</p> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Casale S.p.A.</li> <li>• San Pietro S.p.A.</li> <li>• Selva Alimentari S.p.A.</li> <li>• Saemi S.r.l.</li> <li>• Alice Food Corp. (USA)</li> </ul> <p>– Deputy Chairperson of Fiere di Parma S.p.A.</p> <p>– President of Unione Parmense degli Industriali</p>
<b>Anna Maria Felegara</b>	<b>Director, Chairperson of Risk Committee and member of the Related Parties Committee</b>	<p>– Chairperson of the Board of Auditors of:</p> <ul style="list-style-type: none"> <li>• Fratello Sole Energie Solidali Impresa Sociale S.r.l.</li> <li>• IREN Smart Solutions S.p.A.</li> </ul> <p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• ACAM Ambiente S.p.A.</li> <li>• Atena Trading S.r.l.</li> <li>• Autostrada Campogalliano Sassuolo S.p.A.</li> <li>• BCC Sistemi Informatici S.C.p.A.</li> <li>• C-Global CEDACRI Global Services S.p.A.</li> <li>• CEDACRI S.p.A.</li> <li>• Docugest S.p.A.</li> <li>• Oasi S.p.A.</li> <li>• Mo.Tri.Dal S.p.A.</li> <li>• Fond. Museo della scienza e della tecnologia Leonardo da Vinci</li> <li>• Samko S.r.l.</li> <li>• Steritek S.p.A.</li> </ul> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Re-Food S.p.A.</li> <li>• Weworld JVC Onlus</li> <li>• Member of Organism by Italian Law n. 231/2001 of Leonardo Assicurazioni S.r.l.</li> </ul>
<b>Lamberto Frescobaldi Franceschi Marini</b>	<b>Director, Chairperson of Nomination Committee, Member of the Related Parties Committee and</b>	<p>– Chairperson of the Board of:</p> <ul style="list-style-type: none"> <li>• Marchesi Frescobaldi S.r.l.</li> </ul> <p>– Deputy Chairperson of the Board of:</p> <ul style="list-style-type: none"> <li>• Unione Italiana Vini S.C.p.A.</li> <li>• Confederazione Italiana Vini</li> </ul>



	<b>Member of Remuneration Committee</b>	<ul style="list-style-type: none"> <li>• Tenute di Castelgiocondo</li> </ul> – Director of: <ul style="list-style-type: none"> <li>• Tenute Toscana S.r.l.</li> <li>• Ornellaia e Masseto Società Agricola S.r.l.</li> <li>• Tenute di Toscana Distribuzione S.r.l.</li> </ul>
<b>Paolo Maggioli</b>	<b>Director, Chairperson of the Related Parties Committee and Member of Risk Committee</b>	– Chairperson of the Board of: <ul style="list-style-type: none"> <li>• Maggioli S.p.A.</li> <li>• APKAPPA S.r.l.</li> <li>• Augusto Immobiliare S.r.l.</li> <li>• RBR 2018 S.r.l.</li> <li>• Confindustria Romagna</li> </ul> – Director of ICAR S.r.l. – CEO of Pacri S.r.l.
<b>Andrea Pontremoli</b>	<b>Director and Member of Executive Committee</b>	– CEO of Dallara Group S.r.l. – Sole Director of Fabbrica Dallara S.r.l. – Chairperson and CEO of Innovation Farm S.C.r.l. – Chairperson of Motorvehicle University of Emilia Romagna – MUNER – Director of: <ul style="list-style-type: none"> <li>• Dallara Automobili S.p.A.</li> <li>• Lincotek Rubiano S.p.A.</li> <li>• Barilla G. e R. Fratelli S.p.A.</li> <li>• Barilla Iniziative S.p.A.</li> <li>• Brunello Cucinelli S.p.A.</li> <li>• Università degli Studi di Parma</li> </ul>

Appointed on 30 April 2019

1 Appointed on 28 April 2020

1 Appointed on 23 June 2020

#### Board of Auditors

<b>NAME AND SURNAME</b>	<b>OFFICE HELD IN CA ITALIA</b>	<b>OFFICES HELD IN OTHER COMPANIES</b>
<b>Paolo Alinovi</b>	<b>Chairperson of the Board of Auditors</b>	– Director of AGFM Investments S.r.l. and Borgo Felino Servizi S.r.l. – Chairperson of the Board of Auditors of: <ul style="list-style-type: none"> <li>• Erfin – Eridano Finanziaria S.p.A.</li> <li>• Marco Antonetto S.p.A.</li> <li>• Fora S.p.A.</li> <li>• La Pavoni S.p.A.</li> </ul> – Standing Auditor of <ul style="list-style-type: none"> <li>• Smeg S.p.A.</li> <li>• Smeg Servizi S.p.A.</li> </ul>

		<ul style="list-style-type: none"> <li>• Bonferraro S.p.A.</li> <li>• CEIP S.c.p.A.</li> <li>• Chiesi Farmaceutici S.p.A.</li> <li>• Docomo Digital Italy S.p.A.</li> <li>• Gazzetta di Parma Finanziaria S.p.A.</li> <li>• Opocrin S.p.A.</li> <li>• Publiedi S.r.l.</li> <li>• Caseificio Montecoppe S.r.l.</li> <li>• Società Agricola Montecoppe Soc.arl</li> <li>• LDO S.p.A.</li> <li>• Unionfidi Parma S.c.r.l.</li> </ul> <p>– Sole Director of:</p> <ul style="list-style-type: none"> <li>• Borealis – Tech Finance S.r.l.</li> <li>• Borealis – Tech Ventures S.r.l.</li> <li>• Borealis – Tech Investments RI</li> </ul>
<b>Luigi Capitani</b>	<b>Standing Auditor</b>	<p>– Sole Director of:</p> <ul style="list-style-type: none"> <li>• Drake S.r.l.</li> <li>• Missoula Blu S.r.l.</li> <li>• Mount Fuji S.r.l.</li> </ul> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• Overmarch S.p.A.</li> <li>• BRW S.p.A.</li> <li>• Sandra S.p.A</li> <li>• Pastiglie Leone S.r.l.</li> <li>• Fondazione 13 Marzo</li> </ul> <p>– Chairman of the Boards of Auditors of:</p> <ul style="list-style-type: none"> <li>• Crédit Agricole Group Solutions S.C.p.A.</li> <li>• CO.FI.BA. S.r.l.</li> <li>• Overmach Group S.p.A.</li> <li>• Ferretti International Holding S.p.A.</li> <li>• Ferretti S.p.A.</li> <li>• C.R.N. S.p.A.</li> <li>• Zago S.p.A.</li> </ul> <p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• Analisi–Società di Revisione S.p.A.</li> <li>• BRF Property S.p.A.</li> <li>• Fidor S.p.A.</li> <li>• Industria Compensati Colorno S.r.l.</li> <li>• Monclick S.r.l.</li> <li>• Next14 S.p.A.</li> <li>• GHC Project 5 S.r.l.</li> <li>• Poliambulatorio Dalla Rosa Prati S.r.l.</li> <li>• Casa di Cura Villa Berica S.p.A.</li> </ul>

		<ul style="list-style-type: none"> <li>• Ospedali Privati Riuniti S.r.l.</li> <li>• L'Eremo di Miazzina S.p.A.</li> <li>• IHC Italian Hospitality Collection S.p.A.</li> <li>• Consorzio Parma Couture</li> </ul> <p>– Chairperson of Independent Auditors of:</p> <ul style="list-style-type: none"> <li>• Fondazione Alimenta</li> <li>• Fondazione Barilla Center for food &amp; Nutrition</li> </ul>
<b>Maria Ludovica Giovanardi</b>	<b>Standing Auditor</b>	<p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• Crédit Agricole Group Solutions S.C.p.A.</li> <li>• FLO S.p.A.</li> </ul>
<b>Stefano Lottici</b>	<b>Standing Auditor</b>	<p>– Chairman of the Boards of Auditors of:</p> <ul style="list-style-type: none"> <li>• S.I.R.E.C. S.p.A.</li> <li>• Cosider S.p.A.</li> <li>• Vis Volontariato Int.le per lo Sviluppo O.N.G.</li> </ul> <p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• Gamma Pack S.p.A.</li> <li>• SMA Serbatoi S.p.A.</li> <li>• Tagliavini S.p.A.</li> <li>• Luma S.p.A.</li> <li>• Munus Fondazione di Comunità</li> </ul>
<b>Germano Montanari</b>	<b>Standing Auditor</b>	<p>– Chairperson of Board of Director of:</p> <ul style="list-style-type: none"> <li>• Uptime S.p.A. (company in liquidation)</li> </ul> <p>– Deputy Chairperson of Antas S.r.l.</p> <p>– Director of:</p> <ul style="list-style-type: none"> <li>• S.S. Giovanni e Paolo S.p.A.</li> </ul> <p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• Denva S.r.l.</li> <li>• SR Pharma Apps S.r.l.</li> </ul> <p>– Sole Auditor Pogameschool S.r.l.</p>
<b>Alberto Cacciani</b>	<b>Alternate Auditor</b>	<p>– Chairperson of the Board of Auditors of:</p> <ul style="list-style-type: none"> <li>• ABCZeta Consulting S.p.A.</li> <li>• Blue Eye Solutions S.r.l.</li> <li>• Rossetti Market S.r.l.</li> </ul> <p>– Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• Casa del Cuscinetto Petean S.p.A.</li> <li>• Gruppo Ferrari S.p.A.</li> </ul> <p>– Limited Partner of Duepuntozero S.a.s.</p>
<b>Roberto Perlini</b>	<b>Alternate Auditor</b>	<p>– Chairperson of the Board of Auditors of:</p>

		<ul style="list-style-type: none"> <li>• Opem S.p.A.</li> <li>• Pasubio Sviluppo S.p.A. (Company in liquidation)</li> </ul> <ul style="list-style-type: none"> <li>– Standing Auditor of: <ul style="list-style-type: none"> <li>• Crédit Agricole Group Solutions S.C.p.A.</li> <li>• Maghenzani Cav. Guido &amp; Figlie S.p.A.</li> </ul> </li> <li>– Sole Auditor of Società di Salsomaggiore S.r.l. (Company in liquidation)</li> <li>– Limited Partner of Alisei S.a.s. of Francesca Pionetti</li> </ul>
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Appointed on 30 April 2019”

All the Directors and Auditors listed above are domiciled for the office at the Issuer's registered office and shall be in office until the approval of the financial statements for the year 2020.

All members of the Board of Directors and of the Board of Auditors meet the integrity and professional requirements provided for by the legislation and regulations currently in force.

All members of the Board of Auditors are on the Register of Auditors.

#### General Management

NAME AND SURNAME	OFFICE HELD IN CA ITALIA	OFFICES HELD IN OTHER COMPANIES
<b>Olivier Guilhamon</b>	<b>Deputy General Manager</b>	<ul style="list-style-type: none"> <li>– Director of: <ul style="list-style-type: none"> <li>• Eurofactor Italia S.p.A.</li> <li>• Fiere di Parma S.p.A.</li> <li>• Crédit Agricole Leasing Italia S.r.l.</li> <li>• Crédit Agricole Real Estate S.r.l.</li> <li>• Le Village by CA Parma S.r.l.</li> <li>• FCA Bank S.p.A.</li> </ul> </li> <li>– Deputy Chairperson of Crédit Agricole Group Solutions S.C.p.A.</li> </ul>
<b>Roberto Ghisellini</b>	<b>Deputy General Manager</b>	<ul style="list-style-type: none"> <li>– Director of: <ul style="list-style-type: none"> <li>• CA Indosuez Wealth (Italy) S.p.A.</li> <li>• Crédit Agricole Vita S.p.A.</li> <li>• Le Village by CA Parma S.r.l.</li> </ul> </li> <li>– Deputy Chairperson of Crédit Agricole Assicurazioni S.p.A.</li> </ul>
<b>Vittorio Ratto</b>	<b>Deputy General Manager</b>	<ul style="list-style-type: none"> <li>– Director of: <ul style="list-style-type: none"> <li>• Crédit Agricole Group Solutions S.C.p.A.</li> </ul> </li> </ul>

### **Conflicts of interests of the administration, management and control bodies**

As at the date of this Base Prospectus and to the Crédit Agricole Italia's knowledge – also upon the examinations provided under article 36 of Law Decree No. 201 of 6 December 2011, as converted into Law No. 214 of 22 December 2011 – no member of the Board Directors to the Management Control Committee, the Board of Directors or the general management of Crédit Agricole Italia is subject to potential conflicts of interest between their obligations arising out of their office or employment with the Issuer or the Crédit Agricole Italia Group and any personal or other interests, except for those that may concern transactions put before the competent bodies of Crédit Agricole Italia and or/entities belonging to the Crédit Agricole Italia Group, such transactions having been undertaken in strict compliance with the relevant regulations in force. The members of the administrative, management and control corporate bodies of Crédit Agricole Italia are required to implement the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of a transaction:

- (a) Article 53 (*Supervisory regulations*) of the Consolidated Banking Act and the relevant implementing regulations issued by the Bank of Italy, with particular reference to the supervisory regulations relating to transactions with related parties;
- (b) Article 136 (*Duties of banking officers*) of the Consolidated Banking Act which requires the adoption of a particular authorisation procedure in case an officer, directly or indirectly, assumes obligations towards the bank in which such officer has an administrative, management or controlling role;
- (c) Article 2391 (*Directors' interests*) of the Italian Civil Code; and
- (d) Article 2391-bis (*Transactions with related parties*) of the Italian Civil Code.

The Issuer and its corporate bodies have adopted internal measures and procedures to guarantee compliance with the above mentioned provisions.

## **6. MAJOR SHAREHOLDERS**

### **Entities controlling the Issuer**

As at the date of approval of the Base Prospectus, the Issuer was controlled by Crédit Agricole S.A., (which holds 75.6% of the Issuer's share capital). The remaining portion of the Issuer's share capital is held by Cariparma Foundation (11.9%), Sacam International S.A. (9.3%), Fondazione Carispezia (2.0%), Fondazione Cassa di Risparmio di Piacenza e Vigevano (1.1%) and others minor shareholders (0.1%).

### **Arrangements the operation of which may at a subsequent date result in a change in control of the Issuer**

No arrangements, the operation of which may at a subsequent time result in a change in control of the Issuer are known to the same Issuer.

## **7. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES**

### **Financial information relating to past years**

- The information concerning the financial position and income of the Crédit Agricole Italia Banking Group included in this Base Prospectus are taken from the Crédit Agricole Italia Banking Group consolidated Financial Statements as at and for the six months ended 30 June 2020, as at and for the year ended 31 December 2019 and as at and for the year ended 31 December 2018, which were approved by the Board of Directors on 23 July 2020, 20 March 2020 and 26 March 2019, respectively, and reviewed and audited by the Independent Auditors that issued their reports on 30 July 2020, 6 April 2020 and 29 March 2019, respectively.

In this regard, it is pointed out that, as at 30 June 2020, the perimeter of consolidation included, in addition to the Issuer (Parent Company), Crédit Agricole FriulAdria S.p.A., Crédit Agricole Leasing Italia S.r.l., Crédit Agricole Group Solutions S.c.p.a. and of the Special-Purpose Entities Mondo Mutui Cariparma S.r.l., Crédit Agricole Italia OBG S.r.l., Crédit Agricole Real Estate Italia S.r.l., Sliders S.r.l., Agricola Le Cicogne S.r.l., San Piero Immobiliare S.p.A., and San Giorgio Immobiliare S.r.l..

- The consolidated financial statements of the Crédit Agricole Italia Banking Group as at and for the six months ended 30 June 2020, as at and for the year ended 31 December 2019 and as at and for the year ended 31 December 2018 are referred to in this Base Prospectus pursuant the Prospectus Regulation and are available on the Issuer's website <http://gruppo.credit-agricole.it/>.

#### **Financial reporting**

- The Issuer prepares both separate and consolidated financial statements. The consolidated financial statements of the Crédit Agricole Italia Banking Group as at and for the six months ended 30 June 2020, as at and for the year ended 31 December 2019 and as at and for the year ended 31 December 2018 are referred to in this Base Prospectus pursuant to the Prospectus Regulation. This Base Prospectus does not include the Issuer's Report and Separate Financial Statements as at each of the dates set forth above, since their content would not show any additional significant information other than that reported in the Crédit Agricole Italia Banking Group's Report and Consolidated Financial Statements.

#### **Auditing of the annual financial report and accounts**

##### *Statement that the financial report and accounts referring to past years and contained in this Base Prospectus have been audited*

The Issuer states that consolidated financial statements as at and for the six months ended 30 June 2020, as at and for the year ended 31 December 2019 and as at and for the year ended 31 December 2018 have been, respectively, reviewed and audited by the Independent Auditors, which issued their unqualified review conclusion; on 30 July 2020 (with regard to consolidated financial statements as at and for the year ended 30 June 2020), their unqualified audit opinion on 4 April 2020 (with regard to both the separate and consolidated financial statements as at and for the year ended 31 December 2019) and their unqualified audit opinion on 26 March 2019 (with regard to both the separate and consolidated financial statements as at and for the year ended 31 December 2018), respectively.

The convenience translation into English of the original in Italian language of such financial statements, together with the convenience translation into English of the original in Italian language of the auditors' reports are incorporated by reference into this Base Prospectus (see Section "*Information incorporated by reference*" above).

#### **Indication of other information in the Base Prospectus which has been audited or reviewed by the**

### **Independent Auditors**

- The Base Prospectus does not contain financial information that has been audited or reviewed by the Independent Auditors other than the financial information taken from the Crédit Agricole Italia Banking Group consolidated financial statements as at and for the six months ended 30 June 2020, for the year ended 31 December 2019 and for the year ended 31 December 2018.

### **Data contained in the Base Prospectus which have been taken from sources other than the Issuer's financial statements**

- The Base Prospectus does not contain information taken from sources other than the Crédit Agricole Italia Banking Group consolidated financial statements as at and for the six months ended 30 June 2020, as at and for the year ended 31 December 2019 and for the year ended 31 December 2018.

### **Age of the latest financial information and accounts contained in the Base Prospectus**

- The latest financial information referring to the Issuer and included in Base Prospectus have been taken from the Crédit Agricole Italia Banking Group consolidated financial statements as at and for the six months ended 30 June 2020.

### **Interim financial reporting**

- As at the date of publication of the Base Prospectus, the Issuer had not published financial reports subsequent to Crédit Agricole Italia Banking Group consolidated financial statements as at and for the six months ended 30 June 2020.
- Without prejudice to all the above, it is pointed out that the Issuer prepares and publishes consolidated half-year financial reports of the Crédit Agricole Italia Banking Group. These reports are available on the Issuer's website <https://gruppo.credit-agricole.it/>

The consolidated half-year financial report as at 30 June 2020 has been reviewed by the Independent Auditors, as stated in their review report dated 30 July 2020.

- For interim financial reporting of the Crédit Agricole Italia Banking Group led by Crédit Agricole S.A. of which the Issuer is part, investors are invited to consult the documentation made available on Crédit Agricole S.A. website <https://www.credit-agricole.com/>.

### **Legal and arbitration proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12-months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or its Subsidiaries.

## **8. MATERIAL CONTRACTS**

The Issuer has not signed material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any Crédit Agricole Italia Banking Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the financial instruments to be issued.

## **9. RECENT DEVELOPMENTS**

On 23 November 2020 Crédit Agricole Italia launched a voluntary public tender offer entirely cash for all ordinary shares of Credito Valtellinese S.p.A., as announced by the communication issued on the same

date pursuant to Article 102 of the Financial Laws Consolidated Act and Article 37 of CONSOB Regulation no. 11971 of 14 May 1999. Subsequently, on 11 December 2020, Crédit Agricole Italia filed with Consob the offer document, intended for publication, related to the voluntary tender offer. Furthermore, Crédit Agricole Italia has filed with the competent Authorities the notices and/or the applications for the obtainment of the authorizations required by the applicable law in relation to the offer.

The offer concerns no. 66,375,397 ordinary shares of the Credito Valtellinese S.p.A., listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., representing 94.620% of the Credito Valtellinese S.p.A.'s share capital.

The offer price equaled to €10.50 for each Credito Valtellinese S.p.A.'s share. The maximum aggregate disbursement for the offer, calculated on the basis of the offer price and assuming that all the Credito Valtellinese S.p.A.'s shares will be tendered to the offer, is equal to EUR 696,941,668.50.

As of the date of this Base Prospectus, with respect to the voluntary public tender offer, the Issuer received the relevant authorization from the European Commission for antitrust purposes, and the relevant confirmation from the Italian Presidency of the Council of Ministers that the Council of Ministers decided not to exercise the special powers pursuant to the applicable Italian golden power regulations. The voluntary public tender offer is still subject to certain authorizations from the competent authorities, including antitrust authorities, among which the Bank of Italy and Consob, and to certain other conditions precedents.

For detailed information about the offer, please make reference to Section "*Information incorporated by reference*", press release dated 1 March 2021 and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*", press release dated 19 February and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*", press release headed "*Creval Vto - Golden Power Condition Precedent*", press release headed "*Creval Vto - Antitrust Condition Precedent*", press release headed "*Voluntary public tender offer of Crédit Agricole Italia S.p.A. on the shares of Banca Piccolo Credito Valtellinese S.p.A. - Press release under art. 41, par. 2, let. c), of the Regulation approved by Consob with resolution no. 11971 of 14 May 1999 ("Consob Regulation")*", press release headed "*Voluntary tender offer launched by Crédit Agricole Italia S.p.A. on all the shares of Credito Valtellinese S.p.A.* ", press release headed "*Notice pursuant to Articles 102, paragraph 1, of the Legislative Decree of 24 February 1998, no. 58, and 37 of the Consob Regulation of 14 May 1999, no.11971 ("Notice")*" and press release headed "*Crédit Agricole Italia launches a cash voluntary public tender offer for all shares of Credito Valtellinese*" and press release headed.

With respect to the impact of COVID-19 on the Issuer's financial position, please make reference to Section "*The Issuer*", paragraph "*Trends, uncertainties, claims, commitments or known facts that could generate impacts on the Issuer's prospects*" above.

## **10. CERTAIN REGULATORY ASPECTS RELATING TO THE ISSUER**

### **Banking Resolution under the EU Bank Recovery and Resolution Directive (Brrd)**

Crédit Agricole Italia – as a bank – is subject to the Directive 2014/59/EU, that is the so-called Bank Recovery and Resolution Directive (**BRRD**), as implemented in the Italian legal framework.

In particular, the BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the BRRD Decrees), both of which were published in the Italian Official Gazette on 16 November 2015.



According to these provisions of law, in the event that the following conditions are met, the relevant bank shall be put under resolution: (i) the resolution Authority (in Italy, the Bank of Italy, which operates in cooperation with the EU resolution authority, the Single Resolution Board) has determined that the bank is failing or is likely to fail; (ii) there is no reasonable prospect that any alternative private sector measures would prevent the failure of the institution within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest (that is, it is necessary for the achievement of and is proportionate to one or more of the resolution objectives referred to in Article 31 of the BRRD and winding up of the bank under normal insolvency proceedings would not meet those resolution objectives to the same extent). In this context, an institution is considered as failing or likely to fail, alternatively, when: (a) it is, or is likely in the near future to be, in breach of the capital requirements necessary to maintain its authorization to carry out banking activities; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or (d) it requires extraordinary public financial support in order to recover (except in limited circumstances).

Upon the opening of a resolution procedure, the resolution authorities are entrusted with the power to apply, on a stand-alone basis or in combination, the following tools:

- the sale of business, through which the resolution authority may transfer to a purchaser, on commercial terms (except for the case in which the application of commercial terms may affect the effectiveness of the sale of the business tool or impose a material threat to financial stability): (a) the shares of the bank under resolution; and (b) all or any assets, rights and liabilities of the latter;
- incorporation of a so-called “bridge institution”, through which the resolution authority may transfer to the bridge institution (an entity created for this purpose that is wholly or partially in public control): (a) the shares of the bank under resolution and (b) all or any assets, rights and liabilities of the latter;
- the asset separation, through which the resolution authority may transfer assets, rights or liabilities of a bank or of a bridge institution (e.g., impaired assets, such as non-performing exposures) to one or more asset management vehicles with a view to maximizing their value through the sale or orderly winding down; and
- bail-in, through which the resolution Authority may, jointly or severally, (a) write-down the bank’s Common Equity Tier 1 (“CET1”), Additional Tier 1 (“AT1”) and Tier 2 (“T2”) instruments; (b) write-down the eligible liabilities, including bonds (with certain exceptions); (c) convert eligible liabilities into equity (shares or other instrument of ownership).

As to the application of bail-in, the resolution Authority must take into account the ranking of the bank’s creditors according to the ordinary insolvency procedures, as the BRRD (and the corresponding Italian implementing rules) stipulates that, under resolution, no creditor may incur losses greater than he would have incurred under normal insolvency proceedings (the so called “no creditor worse off” principle).

Thus, in general terms, the ranking of the persons which may be subject to bail-in – from the lowest to the highest – is the following:

- holders of Common Equity Tier 1 instruments;
- holders of Additional Tier 1 instruments;
- holders of Tier 2 instruments, including subordinated notes;
- holders of senior non-preferred notes;

- holders of senior notes;
- depositors qualifying as large firms; and
- depositors qualifying as natural persons or SMEs.

The deposits within 100,000 Euros are protected by the Italian Deposit Guarantee Schemes.

The non-preferred senior notes (notes intending to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-bis of the Italian Consolidated Banking Act) are a new category of instrument introduced in Italy by the Italian Law No. 205/2017, implementing Directive (EU) 2017/2399. They constitute direct, unconditional, unsecured and non-preferred obligations, ranking junior to senior notes (or equivalent instruments), *pari passu* without any preferences among themselves, and in priority to any subordinated instruments and to the claims of shareholders of the Issuer, pursuant to Article 91, section 1-bis, letter c-bis of the Italian Consolidated Banking Act.

Without prejudice to the above, the resolution authority may, in specified exceptional circumstances, partially or fully exclude certain further liabilities from the application of the bail-in tool (the “**General Bail-In Tool**”).

Article 44, paragraph 2 of the BRRD excludes secured liabilities (including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which, according to national law, are secured in a way similar to covered bonds) from the application of the General Bail-In Tool (infra).

The BRRD also provides for a Member State as a last resort, after having assessed and applied the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability and subject to certain other conditions, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD.

As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks’ conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalisation EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

In addition to the General Bail-In Tool and other resolution tools, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken with losses taken in accordance with the priority of claims under normal insolvency proceedings (“**BRRD Non-Viability Loss Absorption**”).

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the a relevant entity or, in certain circumstances, its group will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public financial support is required by the relevant entity other than,

where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability.

The BRRD also requires institutions to meet at all times a sufficient aggregate amount of own funds and “eligible liabilities” expressed as a percentage of the total liabilities and own funds of the institution (*i.e.* “Minimum Requirement for Own Funds and Eligible Liabilities” or “MREL”). The aim is that the minimum amount should be proportionate and adapted for each category of bank on the basis of their risk or the composition of their sources of funding and to ensure adequate capitalisation to continue exercising critical functions post resolution. The final draft regulatory technical standards published by the EBA in July 2015 set out the assessment criteria that resolution authorities should use to determine the MREL for individual firms. The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not subject to supervision by the ECB) or to the Single Resolution Board (the SRB) for banks subject to direct supervision by the ECB.

Although the bail-in powers are not intended to apply to secured debt (such as the rights of Covered Bondholders in respect of the Covered Bond Guarantee), the determination that securities issued by the Crédit Agricole Italia Banking Group will be subject to write-down, conversion or bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Crédit Agricole Italia Banking Group’s control. This determination will also be made by the relevant Italian resolution authority and there may be many factors, including factors not directly related to the bank or the Crédit Agricole Italia Banking Group, which could result in such a determination. Because of this inherent uncertainty, it will be difficult to predict when, if at all, the exercise of a bail-in power may occur which would result in a principal write off or conversion to other securities, including equity. Moreover, as the criteria that the relevant Italian resolution authority will be obliged to consider in exercising any bail-in power provide it with considerable discretion, holders of the securities issued by the Crédit Agricole Italia Banking Group may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Crédit Agricole Italia Banking Group and the securities issued by the Crédit Agricole Italia Banking Group. Potential investors in the securities issued by the Crédit Agricole Italia Banking Group should consider the risk that a holder may lose all or part of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

With specific reference to the Covered Bonds, to the extent that claims in relation to the Covered Bonds are not met out of the assets of the Cover Pool or the proceeds arising from it (and the Covered Bonds subsequently rank *pari passu* with senior debt), the Covered Bonds may be subject to write-down or conversion into equity on any application of the General Bail-in Tool, which may result in Covered Bondholders losing some or all of their investment. In the limited circumstances described above, the exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Covered Bondholders, the price or value of their investment in any relevant Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any relevant Covered Bonds.

Furthermore, on 1 June 2016, the Commission Delegated Regulation (EU) 2016/860 of 4 February 2016 (“**Delegated Regulation (EU) 2016/860**”) specifying further the circumstances where exclusion from the application of write-down or conversion powers is necessary under Article 44(3) of BRRD was published on the Official Journal of the European Union. In particular this regulation lays down rules specifying further the exceptional circumstances provided for in Article 44(3) of BRRD, where the resolution

authority may exclude, or partially exclude, certain liabilities from the application of the write down or conversion powers where the bail-in tool is applied. The Delegated Regulation (EU) 2016/860 entered into force on 21 June 2016.

Furthermore, under resolution, the resolution authorities have relevant ancillary power aimed at ensuring a smooth resolution of the bank. In particular, they are entitled to amend or alter the maturity of certain debt instruments (such as senior notes, non-preferred senior notes and subordinated notes) issued by the bank under resolution or to amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

In general terms, the resolution authority is also entitled to cancel or modify the terms of any contract to which the bank under resolution is a party, to suspend the bank's contractual obligations or to substitute a recipient as a party.

On the other hand, the application of a resolution measure shall not, per se (*i.e.*, provided that the bank continues to perform its obligations under the relevant agreements), make it possible to: (i) exercise any termination, suspension, modification, netting or set-off rights; (ii) obtain possession, exercise control or enforce any security over any property of the bank in relation to an agreement which includes cross-default provisions; or (iii) affect any contractual rights of the bank in relation to an agreement which includes cross-default provisions.

In this regard, it should be noted that, in any case, the BRRD Decrees introduced strict limitations on the possibility to exercise the rights of set-off normally available under Italian insolvency laws, in case of resolution.

As to the financing of the resolution action, the resources may be provided by the national Resolution Funds and the Single Resolution Funds. However, in accordance with the burden-sharing principle, the intervention of such funds is only admitted where a contribution to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds) of the bank under resolution, measured at the time of the resolution action, has been made by the shareholders and the holders of other instruments of ownership, the holders of relevant capital instruments and other eligible liabilities through write down, conversion or otherwise. In any case, the contribution of the resolution funds shall not exceed 5% of the total liabilities including own funds of the bank under resolution, measured at the time of the resolution action.

On 23 November 2016, the European Commission published a proposal to amend certain provisions of the BRRD. The proposal includes an amendment to Article 108 of the BRRD aimed at further harmonising the creditor hierarchy as regards the priority ranking of holders of bank senior unsecured debt in resolution and insolvency. A new class of so called "senior non-preferred debt" was proposed to be added that would be eligible to meet the TLAC and MREL requirements. This new class of debt will be senior to all subordinated debt, but junior to ordinary unsecured senior claims.

The proposal of the European Commission resulted in the adoption of Directive (EU) 2017/2399 of 12 December 2017 amending the BRRD with regard to the ranking of unsecured debt instruments in insolvency hierarchy which was published in the Official Journal of the European Union on 27 December 2017 and must be transposed into national law by the Member States by 29 December 2018. In this regard, the Italian Law no. 205/2017, approved by the Italian Parliament on 27 December 2017, contains the implementing provisions pertaining to "non-preferred" senior debt instruments.

The envisaged amendments to the BRRD should not affect the existing stocks of bank debt and their

statutory ranking in insolvency pursuant to the relevant laws of the Member State in which the bank is incorporated.

In addition, the EBA has issued its final draft regulatory technical standards which further define the way in which national resolution authorities/the SRB shall calculate MREL. According to the SRB work programme 2020, during this year, the number of binding external MREL decisions is expected to reach 114, while 340 internal MREL decisions for relevant legal entities are envisaged.

The EU Banking Reform Package includes Directive (EU) 2019/879, which provides for a number of significant revisions to the BRRD (known as BRRD2). BRRD2 provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the TLAC standard applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The EU Banking Reform Package includes, amongst other things:

- (e) full implementation of the FSB's TLAC standard in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;
- (f) introduction of a new category of "top-tier" banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed EUR 100 billion;
- (g) the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and
- (h) amendments to the article 55 regime in respect of the contractual recognition of bail-in. Changes to the BRRD under BRRD2 will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

In order to ensure compliance with MREL requirements, and in line with the FSB standard on TLAC, the BRRD2 provides that in case a bank does not have sufficient eligible liabilities to comply with its MREL, the resultant shortfall is automatically filled up with CET1 Capital that would otherwise be counted towards meeting the combined capital buffer requirement. However, under certain circumstances, the BRRD2 envisages a nine-month grace period before restrictions to discretionary payments to the holders of regulatory capital instruments and employees take effect due to a breach of the combined capital buffer requirement.

On 20 May 2020, the Single Resolution Board published a non-binding policy named "*Minimum Requirements for Own Funds and Eligible Liabilities (MREL) Policy under the Banking Package*", aiming at helping to ensure that MREL is set in the context of fully feasible and credible resolution plans for all types of banks, as well as promoting a level playing field across banks including subsidiaries of non-banking Union (EU) banks. Such policy addresses the following topics:

- calibration: the policy provides for modifications and extensions of the SRB's approach to MREL calibration in accordance with the framework set out by the EU Banking Reform Package;
- subordination for resolution entities: the policy sets the following subordination requirements:
  - (i) Pillar 1 Banks are subject to subordination requirements composed of a non-adjustable Pillar 1 MREL requirement that must be met with own funds instruments and eligible liabilities that are subordinated to all claims arising from excluded liabilities;
  - (ii) Pillar 1 Banks' resolution

authorities shall ensure that the subordinated MREL resources of Pillar 1 Banks are equal to at least 8% of total liabilities and own funds (TLOF); and (iii) non Pillar 1 Banks are will be subject to a subordination requirement only upon the decision of the resolution authority to avoid a breach of the No Creditor Worse Off principle, following a bank-specific assessment carried out as part of resolution planning;

- internal MREL for non-resolution entities: the policy states that the SRB will progressively expand the scope of non-resolution entities for which it will adopt internal MREL decisions, and it may waive subsidiary institutions qualifying as non-resolution entities from internal MREL at certain conditions. In addition, the policy defines criteria for the SRB's possibility to permit the use of guarantees to meet the internal MREL within the Member State of the resolution entity;
- MREL for cooperative groups: the policy sets out minimum conditions to authorise certain types of cooperative networks to use eligible liabilities of associated entities other than the resolution entity to comply with the external MREL, as well as minimum conditions to waive the internal MREL of the legal entities that are part of the cooperative network;
- eligibility of liabilities issued under the law of a third country: the policy expands on how liabilities issued under the law of third countries can be considered eligible through contractual recognition; and
- transition arrangements: the policy explains the operationalisation of transitional periods up to the 2024 deadline, including binding intermediate targets in 2022 and informative targets in 2023, also stating that transitional arrangements must be bank-specific (since they depend on the MREL tailored to that bank and its resolution plan, and the bank's progress to date in raising MREL-eligible liabilities).

In July 2020, the EBA published a statement on resolution planning in the light of COVID-19. The EBA states that it aims to reaffirm that resolution planning is crucial in time of uncertainty to ensure that resolution is a credible option in case of failure. The focus of the statement is ensuring that the current situation is effectively taken into account by resolution authorities while maintaining a "through the cycle" approach and ensuring that resolvability objectives are achieved.

In August 2020, the EBA issued its Final Report on the draft ITS on disclosure reporting on MREL and TLAC, providing for: (i) draft uniform disclosure formats for MREL and TLAC disclosure according – respectively – to Articles 45i(6) of the BRRD and 434a of the CRR; (ii) draft uniform reporting templates, instructions and methodology for MREL and TLAC reporting according – respectively – to Articles 45i(5) of the BRRD and 430(7) of the CRR. Such draft ITS have been transmitted to the European Commission for its approval.

In September 2020, the European Commission issued a notice aimed at interpreting certain legal provisions of the revised bank resolution framework (*i.e.* BRRD, SRMR, CRR and CRD IV) in reply to questions raised by NCAs, addressing the following issues: (i) the power to prohibit certain distributions; (ii) powers to suspend payment or delivery obligations; (iii) selling of subordinated eligible liabilities to retail clients; (iv) minimum requirement for own funds and eligible liabilities; (v) bail-in tool; (vi) contractual recognition of bail-in; (vii) write down or conversion of capital instruments and eligible liabilities; (viii) exclusion of certain contractual terms in early intervention and resolution; and (ix) contractual recognition of resolution stay powers. As pinpointed by the same Commission, the notice merely clarifies the provisions already contained in the applicable legislation, while it does not extend in

any way the rights and obligations deriving from such legislation nor introduce any additional requirements of the concerned operators and competent authorities.

### ***The Supervisory Review and Evaluation Process***

The Issuer is subject to the Pillar 2 requirements for banks imposed under the Directive 2013/36/EU of the European Parliament and of the Council of the European Union of 26 June 2013 and the Regulation (EU) No 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013 (jointly the “**CRD IV Package**”), which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process (“**SREP**”). The SREP is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system. On 23 July 2020 the EBA issued the Final Report of the Guidelines “on the pragmatic 2020 supervisory review and evaluation process in light of the COVID-19 crisis”, aimed at making available to competent authorities a special procedure for the supervisory review and evaluation process (SREP) for the year 2020. In particular, they identify how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic.

Following the results of the SREP performed by the ECB, the Issuer is required to meet on a consolidated basis both a minimum CET1 Ratio of 7.98% per cent. and a minimum Total Capital Ratio of 12.25% per cent. to be applied for the year 2021.

### ***Covered Bond Legislative Package***

In March 2018, the European Commission proposed a dedicated EU legal and regulatory framework for covered bonds, consisting of a directive and a regulation (the “**Covered Bond Legislative Package**”).

On 18 December 2019, the Covered Bond Legislative Package was published in the Official Gazette of the European Union and the official entry into force of the Covered Bond Legislative Package occurred on 7 January 2020 – twenty days after the relevant publication. The Member States have now 18 months (after the entry into force) to transpose the directive into national law (indicatively, within July 2021), and the transposed law and the regulation will be applied throughout the European Union within the following 12 months.

More in particular, the directive is aimed at providing a common definition of covered bonds, defining the structural features of the instrument and identifying the assets that can be considered eligible in the pool backing the debt obligations. The directive is also aimed at establishing a special public supervision for covered bonds and setting out the rules allowing the use of the ‘European Covered Bonds’ label. The regulation is aimed at amending the CRR with the purpose of strengthening the conditions for granting preferential capital treatment to covered bonds, by adding further requirements.

## THE GUARANTOR

### Introduction

**Crédit Agricole Italia OBG S.r.l. has been established as a special purpose vehicle for the purpose of guaranteeing the Covered Bonds.**

Crédit Agricole Italia OBG S.r.l. was incorporated in the Republic of Italy as a limited liability company incorporated under Article 7-*bis* of the Securitisation and Covered Bond Law, with Fiscal Code 07893100961 and VAT number 02886650346 and registration number with the Register of Enterprises of Milan no. 07893100961.

The Guarantor Legal Entity Identifier is 8156002BC24AAEAA6D94.

Crédit Agricole Italia with the 60 per cent. of the quota capital of Crédit Agricole Italia OBG S.r.l., controls Crédit Agricole Italia OBG S.r.l. which belongs to the Crédit Agricole Italia Banking Group and is subject to the direction and coordination (*direzione e coordinamento*), pursuant to Article 2497-bis of the Italian Civil Code, of Crédit Agricole Italia.

Crédit Agricole Italia OBG S.r.l. was incorporated on 19 June 2012 and its duration shall be until 2100.

Crédit Agricole Italia OBG S.r.l. has its registered office at Via Vittorio Betteloni n. 2, 20131 Milan, Italy and the telephone number of the registered office is 0039/027788051 and the fax number is 0039/0277880599.

The authorised, issued and paid in quota capital of Crédit Agricole Italia OBG S.r.l. is Euro 10,000.

On 21 April 2017, the Annual General Meeting of the Guarantor resolved to change the Guarantor's company name from "Cariparma OBG S.r.l." to "Crédit Agricole Italia OBG S.r.l.". Such change is effective from 21 April 2017.

### Business Overview

The exclusive purpose of the Crédit Agricole Italia OBG S.r.l. is to purchase from banks, against payment, receivables and securities also issued in the context of a securitisation, in compliance with Article 7-*bis* of the Securitisation and Covered Bond Law and the relevant implementing provisions, by means of subordinated loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the covered bonds issued by such banks or other entities.

Crédit Agricole Italia OBG S.r.l., indeed, will grant the Covered Bonds Guarantee to the benefit of the Covered Bondholders, 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 the Securitisation and Covered Bond Law.

Since the date of its incorporation, Crédit Agricole Italia OBG S.r.l. has not engaged in any business other than the purchase of the Portfolio and the entering into of the Transaction Documents and other ancillary documents.

So long as any of the Covered Bonds remain outstanding, Crédit Agricole Italia OBG S.r.l. shall not, without the consent of the Representative of the Covered Bondholders, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the assets backing the Covered Bonds Guarantee, assuming the Subordinated Loan, issuing the Covered Bonds Guarantee and



entering into the Transaction Documents to which it is a party), 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 Intercreditor Agreement) or guarantee any additional quota.

Crédit Agricole Italia OBG S.r.l. will covenant to observe, *inter alia*, those restrictions which are detailed in the Intercreditor Agreement.

### **Administrative, Management and Supervisory Bodies**

The directors of the Guarantor are:

<b>NAME AND SURNAME</b>	<b>OFFICE HELD IN THE GUARANTOR</b>	<b>OFFICES HELD IN OTHER COMPANIES</b>
<b>Stefano Marlat</b>	<b>President</b>	– Director of Fondo Pensione Crédit Agricole Italia Banking Group.
<b>Cristiano Campi</b>	<b>Vice-President</b>	– Deputy Chairperson of Fondo Pensione Crédit Agricole Italia Banking Group.
<b>Simona Colombi</b>	<b>Director</b>	–

The business address of each member of the Board of Directors is Crédit Agricole Italia OBG S.r.l., Via Vittorio Betteloni n. 2, 20131, Milan, Italy.

### **Conflicts of interest**

There are no potential conflicts of interest between the duties of the directors and their private interest or other duties.

### **Quotaholders**

The quotaholders of Crédit Agricole Italia OBG S.r.l. (hereafter together the “**Quotaholders**”) are as follows:

- Crédit Agricole Italia, 60 per cent. of the quota capital;
- Stichting Pavia, 40 per cent. of the quota capital.

Crédit Agricole Italia, with the 60 per cent. of the quota capital controls Crédit Agricole Italia OBG S.r.l., which belongs to Crédit Agricole Italia Banking Group. In order to avoid any abuse, certain mitigants have been inserted in the Quotaholders’ Agreement, as better described in the following paragraph.

### **The Quotaholders’ Agreement**

The Quotaholders’ Agreement contain *inter alia* a call option in favour of Crédit Agricole Italia to purchase from Stichting Pavia and a put option in favour of Stichting Pavia to sell to Crédit Agricole Italia, the quota of Crédit Agricole Italia OBG S.r.l. held by Stichting Pavia and provisions in relation to the management of the Guarantor. Each option may only be exercised from the day on which all the Covered Bonds have been redeemed in full or cancelled.

In addition the Quotaholders' Agreement provides that no Quotaholder of Crédit Agricole Italia OBG S.r.l. will approve the payments of any dividends or any repayment or return of capital by Crédit Agricole Italia OBG S.r.l. prior to the date on which all amounts of principal and interest on the Covered Bonds and any amount due to the Other Creditors have been paid in full.

### **Financial Information concerning the Guarantor's Assets and Liabilities, Financial Position, and Profits and Losses**

In respect of the statutory financial statements of Crédit Agricole Italia OBG S.r.l. as at and for the year ended 31 December 2018 and as at and for the year ended 31 December 2019, audited reports have been issued by EY S.p.A. respectively on 26 March 2019 and on 23 March 2020. The convenience translation into English of the original in Italian language of such financial statements, together with the convenience translation into English of the original in Italian language of their respective auditors' reports and the accompanying notes are incorporated by reference into this Base Prospectus (see Section "*Information incorporated by reference*" above).

#### *Capitalization and Indebtedness Statement*

The capitalization of Crédit Agricole Italia OBG S.r.l. as at the date of this Base Prospectus is as follows: 10,000 Euro.

#### *Quota capital Issued and authorised*

Crédit Agricole Italia has a quota of Euro 6,000 Euro and Stichting Pavia has a quota of Euro 4,000 Euro, each fully paid up.

#### *Total capitalization and indebtedness*

Save for the foregoing and for the Covered Bonds Guarantee and the Subordinated Loan, in accordance with the Subordinated Loan Agreement, at the date of this document, Crédit Agricole Italia OBG S.r.l. 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.

### **Independent auditors**

The independent auditor of Crédit Agricole Italia OBG S.r.l. from 2019 to 2021 is EY S.p.A., registered in the Register of Certified Auditors held by the Ministry for Economy and Finance - Stage general accounting office, at no. 70945 and in the Register of Accountancy Auditors (Registro dei Revisori Contabili), in compliance with the provisions of Decree No. 39/2010. EY S.p.A. is also a member of Assirevi, the Italian professional association of auditors. The registered office of EY S.p.A. is at Via Lombardia 31, 00187 Rome, Italy.

## THE SELLER

### Crédit Agricole FriulAdria S.p.A.

#### *History and development*

As at the date of this Base Prospectus, Crédit Agricole FriulAdria (hereinafter 'the seller') is one of the subsidiaries of the Crédit Agricole Italia Banking Group and is subject to the management and coordination of Crédit Agricole Italia S.p.A..

The Bank was incorporated on 1990.

From 1998 to 2007, it was part of the Intesa San Paolo Group.

In 2007, it was acquired by Crédit Agricole S.A.

On 16 May 2011, the subsidiary Crédit Agricole FriulAdria received the transfer from Cassa di Risparmio del Veneto S.p.A. of 15 branches, as subscription and full payment of a share capital increase through contributions in kind pursuant to Article 2440 and 2441, paragraph 4 of the Italian Civil Code consisting of 1,221,280 shares; the total issue price of the new shares (including nominal value and premium) came to Euro 68,269,552. On 23 May 2011, the shares issued by Crédit Agricole FriulAdria for the above share capital increase were transferred by Cassa di Risparmio del Veneto S.p.A. to Crédit Agricole Italia.

On 22 April 2017, the Extraordinary Shareholders' Meeting of Crédit Agricole FriulAdria resolved to change its company name from "Banca Popolare Friuladria S.p.A." to "Crédit Agricole FriulAdria S.p.A.". Such change is effective from 22 April 2017.

#### *Areas of activity – general*

The seller operates in commercial banking activities, giving to his clients other banking services such as private banking service, bancassurance, leasing and factoring.

In particular, the seller concentrates its activity in Friuli Venezia Giulia and Veneto Italian Region with 160 branches.

#### **Management**

NAME AND SURNAME	OFFICE HELD IN FRIULADRIA
Carlo Piana	General Manager
Paolo Contini	Deputy General Manager

#### *Board of Directors*

NAME AND SURNAME	OFFICE HELD IN FRIULADRIA
Chiara Mio <sup>(1)</sup>	Chairperson
Ariberto Fassati <sup>(1)</sup>	Deputy Chairperson
Letteria Barbaro Bour <sup>(2)</sup>	Director
Matteo Bianchi <sup>(2)</sup>	Director
Michela Cattaruzza <sup>(1)</sup>	Director and President of the Related Party Committee
Olivier Desportes <sup>(2)</sup>	Director

Mariacristina Gribaudi <sup>(1)</sup>	Director and Member of the Related Party Committee
Jean Guillaume Ménès <sup>(1)</sup>	Director
Giampiero Maioli <sup>(1)</sup>	Director
Etienne De Magnitot <sup>(4)</sup>	Director
Marco Stevanato <sup>(1)</sup>	Director and Member of the Related Party Committee
Andrea Babuin <sup>(1)</sup>	Director
Roberto Ghisellini <sup>(3)</sup>	Director

(1) Appointed on 12/04/2019

(2) Appointed on 23/04/2020

(3) Appointed on 17/07/2020

(4) Appointed on 19/11/2020

### ***Board of Statutory Auditors***

The following table sets out the composition of the Board of Statutory Auditors.

<b>NAME AND SURNAME</b>	<b>OFFICE HELD IN FRIULADRIA</b>
Enrico Zanetti	Chairperson of the Board of Auditors
Primo Ceppellini	Standing Auditor
Andrea Martini	Standing Auditor
Francesca Pasqualin	Standing Auditor
Antonio Simeoni	Standing auditor
Ilario Modolo	Suppling auditor
Micaela Testa	Suppling auditor

Appointed on 12/04/2019"

### ***Independent auditors***

EY S.p.A.

### ***Subsidiaries and associated companies***

None.

### ***Share capital and shareholders***

The company capital is made up of 24,137,857 ordinary shares (of a facial value of €5.00 Euro, for a total amount of 120,689,285 Euro), 82.1% owned by Crédit Agricole Italia and the other 17.9% owned by a minority of shareholders.

### ***Employees***

As at 30 June 2020, the workforce consisted of 1,391 employees.

## THE ASSET MONITOR

The Bank of Italy Regulations require that the Issuer appoints a qualified entity to be the asset monitor to carry out controls on the regularity of the transaction and the integrity of the Guarantee.

Pursuant to the Bank of Italy Regulations, the asset monitor must be an independent auditor, enrolled with the Register of Certified Auditors held by the Ministry for Economy and Finance – 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 Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual report, to be addressed also to the Statutory Auditors of the Issuer.

BDO Italia S.p.A., incorporated under the laws of the Republic of Italy, having its registered office at Viale Abruzzi 94, 20131, Milan, Italy, fiscal code and enrolment with the companies register of Milan no. 07722780967. BDO Italia S.p.A. is included in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 167911.

Pursuant to an engagement letter entered into, on or about the Issue Date, as subsequently amended, with the Issuer, the Issuer has appointed the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia*, (i) the fulfilment with the eligibility criteria set out under Decree No. 310 with respect to the Assets included in the Portfolios; (ii) the compliance with the issuing criteria set out in the Bank of Italy Regulations in respect of the issuance of covered bonds; (iii) the compliance with the limits on the transfer of Assets set out under Decree No. 310 and the Bank of Italy Regulations; (iv) the effectiveness and adequacy of the risk protection provided by any swap agreement entered into in the context of the Programme; (v) the arithmetical accuracy of the calculations performed by the Calculation Agent in respect of the Mandatory Tests and the compliance with the limits set out in Decree No. 310 and (vi) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of CRR.

The engagement letter is in line with the provisions of the Bank of Italy Regulations in relation to the monitoring activity and reports to be prepared and submitted by the Asset Monitor also to the Board of Statutory Auditors (*collegio sindacale*) of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Furthermore, on or about the Issue Date, the Issuer, the Calculation Agent, the Asset Monitor, the Guarantor and the Representative of the Covered Bondholders entered into the Asset Monitor Agreement, as more fully described under "*Overview of the Transaction Documents — Asset Monitor Agreement*".

## OVERVIEW OF THE TRANSACTION DOCUMENTS

### Covered Bond Guarantee

On 11 July 2013, the Guarantor, the Issuer and the Representative of the Covered Bondholders entered into the Covered Bond Guarantee pursuant to which the Guarantor agreed to issue, for the benefit of the Covered Bondholders and the Other Issuer Creditors, a first demand, unconditional, irrevocable and autonomous guarantee to support payments of interest and principal under the Covered Bonds issued by the Issuer under the Programme and other payments due to the Other Issuer Creditors. Under the Covered Bond Guarantee the Guarantor has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become due and payable but which would otherwise be unpaid by the Issuer. The obligations of the Guarantor under the Covered Bond Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under the Securitisation and Covered Bond Law, Decree No. 310 and the Bank of Italy Regulations.

The Representative of the Covered Bondholders will enforce the Covered Bond Guarantee: (i) following the occurrence of an Issuer Event of Default and subject to any applicable grace periods, by serving an Issuer Default Notice on the Issuer and the Guarantor; and (ii) following the occurrence of a Guarantor Event of Default and subject to any applicable grace periods, by serving a Guarantor Default Notice on the Guarantor.

Following the service of an Issuer Default Notice by the Representative of the Covered Bondholders, payment of the Guaranteed Amounts shall be made by the Guarantor on the dates scheduled and for the amounts determined in accordance with the Guarantee Priority of Payments.

Under the Covered Bond Guarantee, the parties have agreed that, should a resolution pursuant to article 74 of the Consolidated Banking Act be issued in respect of the Issuer, although such event constitutes an Issuer Event of Default, the consequences thereof will only apply during the Suspension Period. Following an Article 74 Event:

- (i) the Representative of the Covered Bondholders will serve an Issuer Default Notice on the Issuer and the Guarantor, specifying that an Article 74 Event has occurred and that such event may be temporary; and
- (ii) in accordance with Decree No. 310, the Guarantor shall be responsible for the payments of the amounts due and payable under the Covered Bonds within the Suspension Period at their relevant due date *provided that* it shall be entitled to claim any such amounts from the Issuer.

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

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

Under the Covered Bond Guarantee, the parties thereto have also agreed that, upon enforcement of the Covered Bond Guarantee, the Guarantor shall be entitled to request from the Issuer — also prior to any payments are effected by the Guarantor under the Covered Bond Guarantee — an amount up to the Guaranteed Amounts, in order to secure the Issuer obligations to the subrogation right of the Guarantor. Any sum so received or recovered from the Issuer will be used to make payments in accordance with the

Covered Bond Guarantee. The parties have also agreed that the Guarantor shall no longer be entitled request to the Issuer payment of such amounts if a Guarantor Default Notice is delivered by the Representative of the Covered Bondholders or the Covered Bonds have been otherwise accelerated pursuant to the Conditions.

The service of a Guarantor Default Notice by the Representative of the Covered Bondholders will result in the acceleration of the right of the Covered Bondholders of each Series of Covered Bonds issued to receive payment of the Guaranteed Amounts and the Representative of the Covered Bondholders will demand the immediate payment by the Guarantor of all Guaranteed Amounts. Payments made by the Guarantor following the service of a Guarantor Event of Default shall be made *pari passu* and on a *pro-rata* basis to the Covered Bondholders of all outstanding Series of Covered Bonds, in accordance with the Post-Enforcement Priority of Payments.

Pursuant to the terms of the Covered Bond Guarantee, the recourse of the Covered Bondholders and the Other Issuer Creditors to the Guarantor under the Covered Bond Guarantee will be limited to the Guarantor Available Funds.

Furthermore, under the Covered Bond Guarantee, the parties have agreed that as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer or following the delivery of an Issuer Default Notice to the Issuer and the Guarantor, the Guarantor (or the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall exercise, on an exclusive basis and in compliance with the provisions of article 4 of the Decree No. 310, the rights of the Covered Bondholders against the Issuer and any amount recovered from the Issuer will be part of the Guarantor Available Funds.

To the extent that the Guarantor makes, or there is made on its behalf, a payment of any amount under the Covered Bond Guarantee, the Guarantor will be fully and automatically subrogated to the Covered Bondholders' and Other Issuer Creditors' rights against the Issuer pursuant to article 2900 *et seq.* of the Italian Civil Code.

#### *Governing law*

The Covered Bond Guarantee is governed by Italian law.

#### **Subordinated Loan Agreements**

On 20 May 2013, each Seller and the Guarantor entered into a Subordinated Loan Agreement pursuant to article 7-*bis* of the Securitisation and Covered Bond Law under which each Seller granted or will grant to the Guarantor a term loan facility in an aggregate amount equal to the relevant Total Commitment, for the purposes of funding the purchase by the Guarantor of (i) Eligible Assets from the relevant Seller pursuant to the terms of the relevant Master Loans Purchase Agreement and (ii) Eligible Asset and/or Top-Up Assets from the relevant Seller pursuant to the terms of the Cover Pool Management Agreement.

Pursuant to the relevant Subordinated Loan Agreement, each Subordinated Lender has acknowledged its undertakings (i) pursuant to the Cover Pool Management Agreement, to transfer further Eligible Assets and/or Top-Up Assets to the Guarantor and to make available to the Guarantor further Term Loans in order to fund the purchase of such assets, and (ii) pursuant to the Master Loans Purchase Agreement, to make available to the Guarantor further Term Loans in order to fund any settlement amounts of the purchase price of the Initial Portfolio or any New Portfolio which may be due by the Guarantor under the relevant Master Loans Purchase Agreement.

The obligation of each Seller (in its capacity as Subordinated Lender) to advance a Term Loan to the Guarantor under the relevant Subordinated Loan Agreement will be off-set against the obligation of the Guarantor to pay to the relevant Seller the purchase price for the Eligible Assets and Top-Up Assets funded by means of the relevant Term Loan.

On each Guarantor Payment Date and subject to the relevant Subordinated Lender having paid to the Guarantor any shortfall amount, the Guarantor will pay to the Subordinated Lender the amount of the Premium, if any, payable to such Subordinated Lender on the relevant Guarantor Payment Date in accordance with the applicable Priority of Payments and the terms of the relevant Subordinated Loan Agreement.

Interest and Premium, if any, payable in respect of a Term Loan shall be payable on each Guarantor Payment Date following the Drawdown Date (as defined under each Subordinated Loan Agreement) of that Term Loan, subject to the relevant Priority of Payments.

Prior to the delivery of an Issuer Default Notice, each Term Loan shall be repaid on each Guarantor Payment Date subject to the written request of the relevant Subordinated Lender and the Issuer, according to the Pre Issuer Event of Default Principal Priority of Payments and within the limits of the then Guarantor Available Funds, provided that such repayment does not result in a breach of any of the Tests or the Relevant Portfolio Test.

Following the service of an Issuer Default Notice, the Term Loans shall be repaid within the limits of the Guarantor Available Funds subject to the repayment in full (or, prior to the service of a Guarantor Default Notice, the accumulation of funds sufficient for the purpose of such repayment) of all Covered Bonds.

#### *Governing law*

Each Subordinated Loan Agreement is governed by Italian law.

#### **Master Loans Purchase Agreements**

On 20 May 2013 each Seller and the Guarantor entered into the Master Loans Purchase Agreements, as amended from time to time, pursuant to which, each Seller will assign and transfer to the Guarantor, and the Guarantor will purchase, without recourse (*pro soluto*) from the relevant Seller, an Initial Portfolio and New Portfolios of Eligible Assets and Top-Up Assets that shall form part of the Cover Pool, in accordance with articles 4 and 7-*bis* of the Securitisation and Covered Bond Law and article 2 of Decree No. 310.

Under each Master Loans Purchase Agreement, upon satisfaction of certain conditions set out therein, the relevant Seller (i) may or shall, as the case may be, assign and transfer, without recourse (*pro soluto*), to the Guarantor and the Guarantor shall purchase, without recourse (*pro soluto*) from the relevant Seller, New Portfolios which shall form part of the Cover Pool held by the Guarantor, if such transfer is required under the terms of the Cover Pool Management Agreement in order to ensure the compliance of the Cover Pool with the Tests or with the 15 per cent threshold limit with respect to Top-Up Assets provided for by Decree No. 310 and the Bank of Italy Regulations; and (ii) may transfer New Portfolios to the Guarantor, and the Guarantor shall purchase from each Seller such New Portfolios, in order to supplement the Cover Pool in connection with the issuance of further Series of Covered Bonds under the Programme in accordance with the Programme Agreement.

In addition to (i) and (ii) above, under the terms and subject to the conditions of the Master Loans Purchase Agreement, prior to the delivery to the Issuer and the Guarantor of an Issuer Default Notice,



each Seller may transfer New Portfolios to the Guarantor, which will fund the purchase price thereof through the principal collections then standing to the credit of the relevant Luxembourg Principal Collection Account.

The Purchase Price payable for the Initial Portfolio has been determined pursuant to each Master Loans Purchase Agreement. Under each Master Loans Purchase Agreement the relevant parties thereto have acknowledged that the Purchase Price for the Initial Portfolio shall be funded through the proceeds of the first Term Loan under the relevant Subordinated Loan Agreement. The Purchase Price for each New Portfolio will be equal to the aggregate amount of the Individual Purchase Price of all Receivables comprised in such New Portfolio as at the relevant Transfer Date.

In case the Purchase Price is paid with the principal collections then standing to the credit of the relevant Principal Collection Account and, upon the settlement procedure set out above, the Guarantor is required to pay amounts to the Seller in excess of the Purchase Price already paid, such amounts will be deducted from the amounts due to the relevant Seller as repayment of the outstanding Term Loans and, to the extent no such amounts are available, through the proceeds of an appropriate Term Loan to be made available by the relevant Seller as Subordinated Lender pursuant to the relevant Subordinated Loan Agreement.

Each initial Seller has sold to the Guarantor, and the Guarantor has purchased from such Seller, the Receivables comprised in the Initial Portfolio, which meet the Common Criteria (as described in detail in the section headed "*Description of the Cover Pool*") and the relevant specific criteria (as described in detail under each relevant Master Loans Purchase Agreement). Receivables comprised in any New Portfolio to be transferred under the relevant Master Loans Purchase Agreement shall meet, in addition to the Common Criteria, the relevant specific criteria and/or any further criteria.

Pursuant to each Master Loans Purchase Agreement, prior to the occurrence of an Issuer Event of Default, the relevant Seller will have the right to repurchase individual Receivables (including Defaulted Receivables) transferred to the Guarantor under the Master Loans Purchase Agreement.

After the service of an Issuer Default Notice, the Guarantor will, prior to disposing of the Eligible Assets or Top-Up Assets pursuant to the terms of the Cover Pool Management Agreement, offer to sell the Eligible Assets to the relevant Seller at a price equal to the minimum purchase price of the relevant Eligible Assets as determined pursuant to the Cover Pool Management Agreement. If the Guarantor should subsequently propose to transfer such assets for a price lower than the minimum purchase price as determined pursuant to the Cover Pool Management Agreement, it shall again offer such assets to the relevant Seller on the same terms and conditions offered by such third parties before entering into a transfer agreement with the latter.

#### *Governing law*

Each Master Loan Purchase Agreement is governed by Italian law.

#### **Warranty and Indemnity Agreement**

On 20 May 2013, each Seller and the Guarantor entered into a Warranty and Indemnity Agreement pursuant to which each Seller has given certain representations and warranties in favour of the Guarantor in respect of, *inter alia*, itself, the Portfolio transferred and to be transferred by it pursuant to the relevant Master Loans Purchase Agreement, the Real Estate Assets over which the relevant Mortgages are established and certain other matters in relation to the issue of the Covered Bonds and has agreed to indemnify the Guarantor in respect of certain liabilities of the Guarantor that may be incurred, *inter alia*,

in connection with the purchase and ownership of the relevant Portfolio.

Each Warranty and Indemnity Agreement contains representations and warranties given by the relevant Seller as to matters of law and fact affecting the relevant Seller including, without limitation, that the relevant Seller validly exists as a legal entity, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations for such purpose.

Each Warranty and Indemnity Agreement sets out certain representations and warranties in respect of the Portfolio to which it relates, including, *inter alia*, that, as of the date of execution of each Warranty and Indemnity Agreement, the Receivables comprised in the Initial Portfolio (i) are valid, in existence and in compliance with the criteria set forth under the relevant Master Loans Purchase Agreement, and (ii) relate to Mortgage Loan Agreements which have been entered into, executed and performed by the relevant Seller in compliance with all applicable laws, rules and regulations.

Pursuant to each Warranty and Indemnity Agreement, the relevant Seller has agreed to indemnify and hold harmless the Guarantor, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, any representation and warranty given by the Seller under or pursuant to the relevant Warranty and Indemnity Agreement being false, incomplete or incorrect.

#### *Governing law*

Each Warranty and Indemnity Agreement is governed by Italian law.

#### **Master Servicing Agreement**

On 20 May 2013, the Master Servicer, each Seller (in its capacity as Sub-Servicer) and the Guarantor entered into the Master Servicing Agreement, as amended from time to time pursuant to which the Guarantor has appointed Crédit Agricole Italia as Master Servicer of the Receivables. The Master Servicer will act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to the Securitisation and Covered Bond Law and will be responsible for the receipt of the Collections acting as agent (*mandatario con obbligo di rendiconto*) of the Guarantor. In such capacity, the Master Servicer shall also be responsible for ensuring that such operations comply with the provisions of articles 2.3, letter (c), and 2.6 *bis* of the Securitisation and Covered Bond Law.

Pursuant to the Master Servicing Agreement the Master Servicer will transfer the interest and principal collections with respect to the Receivables credited to the Italian Collection Account pertaining to each Seller to, as appropriate, the relevant Interest Collection Account and Principal Collection Account held with the Account Bank within the immediately following Business Day.

Under the Master Servicing Agreement the Master Servicer has delegated each Seller, in its capacity as Sub-Servicer, to carry out on behalf of the Guarantor and in accordance with the Master Servicing Agreement and the Credit and Collection Policy the management, administration, collection and recovery activities with respect to the Receivables transferred by the relevant Seller to the Guarantor.

Pursuant to the Master Servicing Agreement, each of the Master Servicer and the Sub-Servicer may delegate to third parties certain operating and auxiliary activities with respect to the servicing and sub-servicing activities, subject to certain conditions set forth thereof and provided that such delegation does not prevent the performance of the relevant undertakings assumed by it.

The Master Servicer will be directly and fully responsible *vis-à-vis* the Guarantor, also departing from

the provisions of article 1717, second paragraph, of the Civil Code, for the performance of the obligations undertaken by the Sub-Servicer under the Sub-Servicing Agreement. The Master Servicer has undertaken to deliver to, *inter alios*, the Guarantor, the Asset Monitor, the Representative of the Covered Bondholders, the Principal Paying Agent and the Corporate Servicer, the Monthly Servicer's Report and the Quarterly Servicer's Report prepared on the basis of the information reported by the Seller as Service Provider.

The Master Servicer and the Service Provider have represented to the Guarantor that each has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Master Servicing Agreement in relation to the respective responsibilities.

The Guarantor may terminate the Master Servicer's appointment and appoint a successor master servicer or service provider if certain events occur (each, a "**Master Servicer Termination Event**"): namely:

- (i) failure (not attributable to *force majeure*) to deposit or pay any amount required to be paid or deposited which failure continues for a period of 10 Business Days following receipt of a written notice from the Guarantor requiring the relevant amount to be paid or deposited;
- (ii) failure to observe or perform duties under specified clauses of the Master Servicing Agreement and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the Guarantor (*provided that* a failure ascribable to the Sub-Servicer delegated by the Master Servicer shall not constitute a Master Servicer Termination Event);
- (iii) an Insolvency Event occurs with respect to the Master Servicer;
- (iv) it becomes unlawful for the Master Servicer to perform or comply with any of its obligations under the Master Servicing Agreement;
- (v) the Master Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's Regulations for entities acting as servicers in the context of a covered bonds transaction;

Upon the occurrence of a Master Servicer Termination Event, the Master Servicer (or the Substitute Master Servicer (if appointed) or the Representative of the Covered Bondholders, in case of failure of the Master Servicer to do so within 10 (ten) Business Days from the occurrence of a Master Servicer Termination Event) shall instruct the Debtors to pay any amount due in respect of the assets comprised in the Cover Pool directly into the relevant Collection Account.

#### *Governing law*

The Master Servicing Agreement is governed by Italian law.

#### **Programme Agreement**

For a description of the Programme Agreement, see "*Subscription and Sale*".

#### **Intercreditor Agreement**

On 11 July 2013, the Guarantor and the Other Creditors entered into the Intercreditor Agreement, as amended from time to time. Under the Intercreditor Agreement provision is made as to the application of the proceeds from Collections in respect of the Cover Pool and as to the circumstances in which the Representative of the Covered Bondholders will be entitled, in the interest of the Covered Bondholders, to exercise certain of the Guarantor's rights in respect of the Cover Pool and the Transaction Documents.

In the Intercreditor Agreement the Other Creditors have agreed, *inter alia*: to the order of priority of payments to be made out of the Guarantor Available Funds; that the obligations owed by the Guarantor to the Covered Bondholders and, in general, to the Other Creditors are limited recourse obligations of the Guarantor; and that the Covered Bondholders and the Other Creditors have a claim against the Guarantor only to the extent of the Guarantor Available Funds.

Under the terms of the Intercreditor Agreement, the Guarantor has undertaken, following the service of a Guarantor Default Notice, to comply with all directions of the Representative of the Covered Bondholders, acting pursuant to the Conditions, in relation to the management and administration of the Cover Pool.

#### *Governing law*

The Intercreditor Agreement is governed by Italian law.

#### **Asset Monitor Agreement**

On 11 July 2013, the Issuer, the Guarantor, the Asset Monitor, the Calculation Agent and the Representative of the Covered Bondholders entered into the Asset Monitor Agreement, whereby each of the Issuer and the Guarantor has appointed the Asset Monitor to perform the services set out therein — please see "*The Asset Monitor*" below.

The appointment by the Guarantor will become effective only subject to, and with effect from, the delivery of an Issuer Default Notice, *provided that*, in case the Issuer Event of Default consists of an Article 74 Event, the Asset Monitor will provide the services to the Guarantor up to the date on which the Representative of the Covered Bondholder will have delivered an Article 74 Event Cure Notice.

Pursuant to the Asset Monitor Agreement, the Asset Monitor has agreed to the Issuer and, upon delivery of an Issuer Default Notice, to the Guarantor, to verify, subject to due receipt of the information to be provided by the Calculation Agent to the Asset Monitor, the arithmetic accuracy of the calculations performed by the Calculation Agent in relation to the Statutory Tests and the Amortisation Test carried out pursuant to the Cover Pool Management Agreement, with a view to confirming whether such calculations are accurate. Upon occurrence, as the case may be, of particular market conditions or situation regarding the Issuer that may affect the regularity of the Programme or the investors' protection, the frequency of the verification of the Statutory Tests and the Amortisation Test under the Cover Pool Management Agreement may be increased to a monthly frequency upon request of the Issuer (or, following the Issuer Event of Default, upon request of the Guarantor with the consent of the Representative of the Covered Bondholders) provided that the Asset Monitor has been previously informed.

In the Asset Monitor Agreement, the Asset Monitor has acknowledged to perform its services also for the benefit and in the interests of the Guarantor (to the extent it will carry out the services under the appointment of the Issuer) and the Covered Bondholders and accepted that upon delivery of an Issuer Default Notice, it will receive instructions from, provide its services to, and be liable *vis-à-vis* the Guarantor or the Representative of the Covered Bondholders on its behalf.

In addition, on or prior to each relevant date as set out in the Asset Monitor Agreement, the Asset Monitor has undertaken to deliver to the Guarantor, the Calculation Agent, the Representative of the Covered Bondholders and the Issuer the Asset Monitor Report (as defined under the Asset Monitor Agreement).

The Issuer or the Guarantor (as the case may be) may, until the occurrence of an Issuer Event of Default

without any prior approval of the Representative of the Covered Bondholders and following the occurrence of an Issuer Event of Default with the prior approval of the Representative of the Covered Bondholders, revoke the appointment of the Asset Monitor, in either case by giving not less than 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 Covered Bondholders, the Rating Agency and the Calculation Agent). The Asset Monitor may resign from its appointment under the Asset Monitor Agreement, upon giving not less than three months' (or such shorter period as the Representative of the Covered Bondholders may agree) prior written notice of termination to the Issuer, the Guarantor, the Calculation Agent and the Representative of the Covered Bondholders, provided that the Issuer and the Guarantor shall give prior notice of such resignation to the Rating Agency and subject to and conditional upon certain further conditions set out in the Asset Monitor Agreement.

#### *Governing law*

The Asset Monitor Agreement is governed by Italian law.

#### **Cash Allocation, Management and Payments Agreement**

On 11 July 2013, the Guarantor, the Issuer, the Seller (also in its capacity as Sub-Servicer and Service Provider), the Master Servicer, the Account Bank, the Calculation Agent, the Principal Paying Agent, the Guarantor Corporate Servicer and the Representative of the Covered Bondholders entered into the Cash Allocation, Management and Payments Agreement, as amended from time to time.

Under the terms of the Cash Allocation, Management and Payments Agreement:

- (i) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Guarantor, the Principal Collection Accounts, the Interest Collection Accounts, the Reserve Fund Account, the Quota Capital Account, the Expenses Account and the Guarantor Payments Account and to provide the Guarantor with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such Accounts pursuant to the terms of the Cash Allocation, Management and Payments Agreement;
- (ii) the Principal Paying Agent has agreed to provide the Guarantor (and, prior to the delivery of an Issuer Default Notice, the Issuer) with certain payment services together with certain calculation services pursuant to the terms of the Cash Allocation, Management and Payments Agreement; and
- (iii) the Calculation Agent has agreed to provide the Guarantor with calculation services.

The Guarantor may (with the prior approval of the Representative of the Covered Bondholders) revoke its appointment of any Agent under the Cash Allocation, Management and Payment Agreement by giving not less than three months' (or earlier, in the event of a breach of warranties and covenants by the relevant Agent or – in case of the Account Bank or the Principal Paying Agent only – the loss of the status of Eligible Institution) written notice to the relevant Agent (with a copy to the Representative of the Covered Bondholders and the Rating Agency), regardless of whether an Issuer Event of Default or a Guarantor Event of Default has occurred. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than three months' (or such shorter period as the Representative of the Covered Bondholders may agree) prior written notice of termination to the Guarantor, the Representative of the Covered Bondholders, the Issuer and the Rating Agency subject to and conditional upon certain conditions set out in the Cash Allocation, Management and Payments Agreement.

### *Governing law*

The Cash Allocation, Management and Payments Agreement is governed by Italian law.

### **Cover Pool Management Agreement**

On 11 July 2013, the Issuer, the Guarantor, the Asset Monitor, the Calculation Agent, the Seller and the Representative of the Covered Bondholders entered into the Cover Pool Management Agreement, as amended from time to time, pursuant to which they have agreed certain terms regulating, *inter alia*, the performance of the Tests with respect to the Cover Pool and the purchase and sale by the Guarantor of assets included in the Cover Pool.

Under the Cover Pool Management Agreement, starting from the Issue Date of the first Series of Covered Bonds and until the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms, each Seller (and failing the Seller to do so, the Issuer and, failing the Issuer, the other Seller(s)) has undertaken to procure that on any Calculation Date each of the Statutory Tests is met with respect to the Cover Pool. In addition, on each Calculation Date following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice (but prior to service of a Guarantor Default Notice) the Calculation Agent shall verify that the Amortisation Test is met with respect to the Cover Pool.

The Calculation Agent has agreed to prepare and deliver to Issuer, the Seller, the Guarantor, the Representative of the Covered Bondholders, the Rating Agency and the Asset Monitor a report setting out the calculations carried out by it in respect to the Statutory Tests, the Amortisation Test and other information such as, *inter alia*, the Top-up Assets Limits (the "**Test Performance Report**"). Such Test Performance Report shall specify the amount of Top-Up Assets in relation to each Seller, the occurrence of a breach of the Statutory Tests and/or of the Amortisation Test and the Portfolio with respect to which a shortfall has occurred, identified on the basis of the Seller (or Sellers) which transferred it to the Guarantor (each, a "**Relevant Seller**").

If the Calculation Agent notifies the breach of any Test during the Test Grace Period, the Guarantor will purchase Eligible Assets and/or Top-Up Assets, to be transferred by (a) the Relevant Seller(s); and/or (b) upon the occurrence of the circumstances set out below, the Issuer; and/or (c) upon the occurrence of the circumstances set out below, the other Sellers, in an aggregate amount sufficient to ensure, also taking into account the information provided by the Calculation Agent in the Test Performance Report notifying the relevant breach, that as of the Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool.

Each Seller has undertaken, to the extent it is identified as a Relevant Seller, to promptly deliver a written notice to the Guarantor, the Issuer and the other Seller(s) informing them of any circumstance which may prevent it from complying (in part or in full) with its obligation to transfer the required amount of Eligible Assets and/or Top-Up Assets to the Guarantor (the "**Relevant Seller Notice**"). To the extent that the Relevant Seller deems that the circumstances above will only prevent it from transferring to the Guarantor a part of the Eligible Assets and/or Top-Up Assets required, for the purpose of allowing the Issuer or, as appropriate, the other Seller(s) to determine the amount of Eligible Assets and Top-Up Assets to be transferred to remedy the breach of Tests, the Relevant Seller Notice shall specify the amount of Eligible Assets and Top-Up Assets that the Relevant Seller will not be able to transfer.

To the extent that, within the 30 (thirty) days following the date on which the breach of the Tests has occurred, the Issuer has received a Relevant Seller Notice from the Relevant Seller(s) or the Guarantor has

not received an offer by the Relevant Seller in accordance with the relevant Master Loans Purchase Agreement in respect of such Eligible Assets and/or Top-Up Assets to be transferred to remedy the Tests, the Issuer has undertaken to (a) transfer to the Guarantor Eligible Assets and/or Top-Up Assets, in the aggregate amount sufficient to ensure that, as of the Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool and (b) accordingly to promptly deliver a written notice, substantially in the form of the Relevant Seller Notice, to the Guarantor and the other Seller(s) informing them of any circumstance which may prevent it from complying (in part or in full) with its obligation to transfer the required amount of Eligible Assets and/or Top-Up Assets to the Guarantor.

To the extent that, within 60 (sixty) days following the date on which the breach of the Tests has occurred, (a) the Issuer has received a Relevant Seller Notice from the Relevant Seller(s); or (b) the Guarantor has not received an offer by the Relevant Seller in accordance with the relevant Master Loans Purchase Agreement in respect of such Eligible Assets and/or Top-Up Assets; and (i) the other Seller(s) have received a notice substantially in the form of a Relevant Seller Notice from the Issuer; or (ii) the Guarantor has not received a contractual proposal by the Issuer in respect of such Eligible Assets and/or Top-Up Assets, the other Seller(s), jointly and severally, have undertaken to transfer to the Guarantor Eligible Assets and/or Top-Up Assets, in the aggregate amount sufficient to ensure that, as of the Calculation Date falling at the end of the Test Grace Period, all Tests are satisfied with respect to the Cover Pool. The undertakings described above, assumed by each of the Seller, are conditional upon transfer of the relevant Initial Portfolio by each of them to the Guarantor.

The parties to the Cover Pool Management Agreement have acknowledged that, at any time prior to the delivery of an Issuer Default Notice, the aggregate amount of Top-Up Assets included in the Cover Pool may not exceed 15 per cent. of the aggregate Outstanding Principal Balance of the Eligible Cover Pool, pursuant to the combined provisions of Decree No. 310 and the Bank of Italy Regulations. In this respect, the Calculation Agent has undertaken to determine, on each Calculation Date, the amount of Top-Up Assets (including any Collections and Recoveries and other cash flows deriving from the Eligible Assets and/or Top-Up Assets already transferred to the Guarantor) forming part of the Cover Pool and to report such calculation in each Test Performance Report.

Should it result from any Test Performance Report that the aggregate amount of Top-Up Assets included in the Cover Pool is in excess of 15 per cent. of the aggregate Outstanding Principal Balance of the Eligible Cover Pool, then the Seller(s) in relation to which the aggregate amount of (i) Top-Up Assets transferred by such Seller(s) to the Guarantor and (ii) the Collections and Recoveries on the relevant Portfolio is in excess of 15 per cent. of the Outstanding Principal Balance of the relevant Portfolio (the "**Relevant Top-Up Assets Excess**") shall, within 90 (ninety) days following the relevant Calculation Date, transfer to the Guarantor New Portfolio(s) of Eligible Assets in an aggregate amount at least equal to the Relevant Top-Up Asset Excess; provided however that such transfer will not be necessary if the Relevant Top-Up Assets Excess has been cured in full within 90 (ninety) days following the Calculation Date in which any such Test Performance Report has been delivered, upon repayment by the Guarantor of any Term Loan outstanding under the relevant Subordinated Loan Agreement in accordance with the Pre-Issuer Event of Default Principal Priority of Payments.

The purchase price of New Portfolio(s) of Eligible Assets so transferred will be financed (i) through the principal collections standing to the credit of the relevant Principal Collection Accounts, pursuant to Clause 3.4 of the relevant Master Loans Purchase Agreement or (ii) if the sums standing to the credit of the relevant Principal Collection Accounts are not sufficient to fund the purchase price of such New

Portfolio(s) of Eligible Assets, through the proceeds of Term Loan(s) advanced by such Seller(s) to the Guarantor pursuant to the relevant Subordinated Loan Agreement.

The parties have also acknowledged and agreed that, if notwithstanding one or both Seller(s) having pursued the remedies set out in above, the aggregate amount of Top-Up Assets included in the Cover Pool is still in excess of 15 per cent. of the aggregate Outstanding Principal Balance of the Eligible Cover Pool, (a) the obligations to transfer New Portfolio(s) of Eligible Assets will be undertaken by the Issuer and/or the other Seller(s) (which for such purpose are deemed to be Relevant Seller(s)) in the circumstances set out above and (b) the obligations to fund the purchase price of such New Portfolio(s) of Eligible Assets will be funded as described below.

Following the delivery of an Issuer Default Notice on the Issuer and the Guarantor, any Collections and Recoveries and other cash flows deriving from the Eligible Assets and/or Top-Up Assets transferred to the Guarantor may then exceed the 15 per cent. limit of the aggregate Outstanding Principal Balance of the Eligible Cover Pool and the above provisions shall cease to apply, provided however that, should the Issuer Default Notice consist of an Article 74 Event, such provisions will again apply upon delivery of an Article 74 Event Cure Notice.

For the purpose of allowing the Guarantor to fund the purchases referred to above:

- (i) each Relevant Seller, in its capacity as Subordinated Lender, has undertaken to advance to the Guarantor a Term Loan in accordance with the relevant Subordinated Loan Agreement in an amount equal to the purchase price to be paid by the Guarantor for the Eligible Assets and/or Top-Up Assets to be transferred by such Relevant Seller, also acknowledging that the Total Commitment set out from time to time under the relevant Subordinated Loan Agreement shall not be a limitation with respect to the Relevant Seller's obligation to advance the Term Loans to the Guarantor in order to fund the purchase price for the relevant Eligible Assets and Top-Up Assets;
- (ii) the Issuer has undertaken to advance a subordinated loan to the Guarantor on substantially the same terms as provided for under the Subordinated Loan Agreements in an amount equal to the purchase price to be paid by the Guarantor for the Eligible Assets and/or Top-Up Assets to be transferred by the Issuer; and
- (iii) each other Seller, in its capacity as Subordinated Lender, has undertaken to advance to the Guarantor a Term Loan in accordance with the relevant Subordinated Loan Agreement in an amount equal to the purchase price to be paid by the Guarantor for the Eligible Assets and/or Top-Up Assets to be transferred by such other Seller.

The Guarantor will not be allowed under the Cover Pool Management Agreement to purchase Eligible Assets and/or Top-Up Assets from any other entities that are not part of the Crédit Agricole Italia Banking Group.

If, within the Test Grace Period, the relevant breach of the Tests is not remedied in accordance with the terms of the Cover Pool Management Agreement, the Representative of the Covered Bondholders will deliver:

1. an Issuer Default Notice to the Issuer and the Guarantor; or
2. a Guarantor Default Notice, if an Issuer Default Notice has already been served (*provided that*, should such Issuer Default Notice consist of an Article 74 Event, it has not served an Article 74 Event Cure Notice).



Upon receipt of an Issuer Default Notice or a Guarantor Default Notice, the Guarantor shall dispose of the assets included in the Cover Pool.

After the service of an Issuer Default Notice on the Issuer and the Guarantor, but prior to service of a Guarantor Default Notice, the Guarantor will sell, refinance or otherwise liquidate the Eligible Assets and Top-Up Assets included in the Cover Pool, subject to the rights of pre-emption in favour of the Sellers to buy such Eligible Assets and, if applicable, Top-Up Assets pursuant to the relevant Master Loans Purchase Agreements, *provided that*, in case the Issuer Event of Default consists of an Article 74 Event, such provisions will only apply for as long as the Representative of the Covered Bondholders will have delivered an Article 74 Event Cure Notice.

The Eligible Assets to be sold or liquidated will be selected from the Cover Pool by the Master Servicer on behalf of the Guarantor (any such Eligible Assets, together with any relevant Top-Up Assets, the "**Selected Assets**") and the proceeds from any sale of Selected Assets shall be credited to the Reserve Fund Account and applied as part of the Guarantor Available Funds in accordance with the applicable Priority of Payments. The Selected Assets shall be selected on a random basis and so to ensure that the ratio between the aggregate Outstanding Principal Balance of the Cover Pool and the Outstanding Principal Amount of all Series of Covered Bonds remains unaltered both prior to and following the sale or liquidation of the relevant Selected Assets and repayment of the Earliest Maturing Covered Bonds.

Before offering Selected Assets for sale or liquidating them, the Guarantor shall ensure that the Selected Assets have an aggregate Outstanding Principal Balance in an amount which is as close as possible to:

1. the Outstanding Principal Amount in respect of the Earliest Maturing Covered Bonds, multiplied by  $1 + \text{Negative Carry Factor} \times (\text{days to maturity of the relevant Series of Covered Bonds} / 365)$ ; *minus*
2. amounts standing to the credit of the Principal Collection Accounts; *minus*
3. the principal amount of any Top-Up Assets consisting of deposits,

excluding, with respect to items 2 and 3 above, all amounts to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the applicable Priority of Payments (the "**Required Outstanding Principal Balance**").

The Guarantor will offer the Selected Assets for sale or liquidate them for the best price or proceeds reasonably available but in any event for an amount not less than the Required Outstanding Principal Balance (the "**Required Outstanding Principal Balance Amount**").

If the Selected Assets have not been sold or otherwise liquidated in an amount equal to the Required Outstanding Principal Balance Amount by the date which is six months prior to, as applicable, the Maturity Date (if the relevant Series of Covered Bonds is not subject to an Extended Maturity Date) or the Extended Maturity Date (if the relevant Series of Covered Bonds is subject to an Extended Maturity Date) of the Earliest Maturing Covered Bonds, and the Guarantor does not have sufficient other funds standing to the credit of the Accounts available to repay the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), then the Guarantor will offer the Selected Assets for sale or liquidate them for the best price reasonably available notwithstanding that such amount may be less than the Required Outstanding Principal Balance Amount.

With respect to any sale or liquidation to be carried out, the Guarantor shall instruct the Portfolio Manager (as defined below) — to the extent possible taking into account the time left before the Maturity Date or

Extended Maturity Date (if applicable) of the Earliest Maturing Covered Bonds — to sell or liquidate any Top-Up Assets included in the Cover Pool before any Eligible Assets are sold in accordance herewith.

The Guarantor may offer for sale or otherwise liquidate part of any portfolio of Selected Assets (a "**Partial Portfolio**"). Except in certain circumstances described in the Cover Pool Management Agreement, the sale price or liquidation proceeds of the Partial Portfolio (as a proportion of the Required Outstanding Principal Balance Amount) shall be at least equal to the proportion that the Partial Portfolio bears to the relevant portfolio of Selected Assets.

Upon the occurrence of an Issuer Event of Default, the Guarantor will through a tender process (to be carried out by the Guarantor Corporate Servicer on behalf of the Guarantor) appoint a portfolio manager (the "**Portfolio Manager**") of recognised standing on a basis intended to incentivise the Portfolio Manager to achieve the best proceeds for the sale or liquidation of the Selected Assets (if such terms are commercially available in the market) and to advise it in relation to the sale to purchasers (except where a Seller is buying the Selected Assets in accordance with its right of pre-emption under the Master Loans Purchase Agreement) or liquidation of the Selected Assets. The terms of the agreement giving effect to the appointment in accordance with such tender, as well as the terms and conditions of the sale of the Selected Assets, shall be approved by the Representative of the Covered Bondholders.

Following the delivery of an Issuer Default Notice consisting of an Article 74 Event, the obligation of the Guarantor to sell or liquidate Selected Assets, as described above, shall cease to apply starting from the date on which the Representative of the Covered Bondholders delivers to the Issuer, the Sellers, the Guarantor and the Asset Monitor an Article 74 Event Cure Notice in accordance with the provisions of the Covered Bond Guarantee.

Following the delivery by the Representative of the Covered Bondholders of a Guarantor Default Notice, the Guarantor (or the the Representative of the Covered Bondholders pursuant to the Intercreditor Agreement) shall immediately sell or liquidate all assets included in the Cover Pool in accordance with the procedures described above and the proceeds thereof will be applied as Guarantor Available Funds, *provided that* the Guarantor (or, in the absence, the Representative of the Covered Bondholders) will instruct the Portfolio Manager to use all reasonable endeavours to procure that such sale or liquidation is carried out as quickly as reasonably practicable taking into account the market conditions at that time.

#### *Governing law*

The Cover Pool Management Agreement is governed by Italian law.

#### **The Swap Agreements**

##### **Liability Swap Agreements**

The Guarantor may enter into one or more Liability Swap Agreements on or about the Issue Date of a Series of Covered Bonds with one or more Liability Swap Providers to hedge certain interest rate, currency and other risks in respect of amounts payable by the Guarantor in respect of the Series of Covered Bonds issued on that Issue Date. The aggregate notional amount of the Liability Swap Agreements entered into on each Issue Date shall be linked to the Outstanding Principal Amount of the relevant Series of Covered Bonds.

Under the Liability Swap Agreements, on each Guarantor Payment Date, it is expected that the Guarantor will pay to the Liability Swap Provider an amount calculated by reference to the notional amount of the relevant Series of Covered Bonds multiplied by either a fixed rate or Euribor, possibly increased by a

margin. In return, the Liability Swap Provider would pay to the Guarantor on the payment dates elected in the relevant confirmation an amount calculated by reference to the notional amount multiplied by a rate linked to the interest rate applicable to the relevant Series of Covered Bonds.

It is intended that each Liability Swap Agreement would terminate on the date corresponding to the Maturity Date of the Covered Bonds of the relevant Series and may or may not take account of any extension of the Maturity Date under the terms of such Series of Covered Bonds as specified in the relevant Liability Swap Agreement.

### **Asset Swap Agreements**

Some of the Mortgage Loans in the portfolio purchased by the Guarantor from each Seller from time to time will pay a variable rate of interest and other Mortgage Loans will pay a fixed rate of interest. The Guarantor may enter into an Asset Swap Agreement to mitigate variations between the rate of interest payable on the Mortgage Loans in the Portfolio and EURIBOR and to ensure sufficient funding of the payment obligations of the Guarantor.

### ***Swap Agreement Credit Support Document***

Each Swap Agreement will be supplemented and complemented by a credit support document in the form of the ISDA 1995 Credit Support Annex (Transfer English Law) to the ISDA Master Agreement (a "**Credit Support Annex**"). The Credit Support Annex will provide that the relevant Swap Provider, if required to do so following its downgrade or the downgrade of its credit support provider and subject to the conditions specified in such Credit Support Annex, will transfer collateral ("**Swap Collateral**"), and the Guarantor will be obliged to return equivalent collateral in accordance with the terms of the Swap Agreement.

Cash and securities (and all income in respect thereof) transferred as collateral will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the relevant Swap Provider in accordance with the terms and within the limits of the Swap Agreement.

Any Swap Collateral will be returned by the Guarantor to the relevant Swap Provider directly in accordance with the terms of the Swap Agreement and not under any Priority of Payments.

### ***Governing law***

The Swap Agreements and any non-contractual obligations arising out or connected with them are governed by English Law.

### **Mandate Agreement**

On 11 July 2013, the Guarantor and the Representative of the Covered Bondholders entered into a mandate agreement (the "**Mandate Agreement**"), pursuant to which the Representative of the Covered Bondholders shall be authorised, subject to a Guarantor Default Notice being delivered to the Guarantor or upon failure by the Guarantor to exercise its rights under the Transaction Documents and, subject to certain conditions, to exercise, in the name and on behalf of the Guarantor, in the interest of the Covered Bondholders and for the benefit of the Other Creditors all the Guarantor's right with reference to certain Transaction Documents.

### ***Governing law***

The Mandate Agreement is governed by Italian law.

### **Deed of Pledge**

On 11 July 2013, the Guarantor, the Representative of the Covered Bondholders and the Other Creditors entered into the Deed of Pledge under which, without prejudice and in addition to any security, guarantee and other right provided by the Securitisation and Covered Bond Law and the Deed of Charge, if any, securing the discharge of the Guarantor's obligations to the Covered Bondholders and the Other Creditors, the Guarantor has pledged in favour of the Covered Bondholders and the Other Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Guarantor is or will be entitled to from time to time pursuant to certain Transaction Documents, with the exclusion of the Cover Pool and the Collections. In addition, pursuant to the Deed of Pledge, the Guarantor has undertaken to create a pledge (or other equivalent security under any applicable jurisdiction) for the benefit of Covered Bondholders and the Other Creditors over any claim, deriving from (i) any deed or agreement, in addition to the Transaction Documents executed after the date of the Deed of Pledge within the context of the Programme and from which any right or claim may derive to the Guarantor, (ii) any further account opened by the Guarantor in accordance with the Intercreditor Agreement, and (iii) any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement, as well as any amount on account of principal, interest, profit or other amount deriving therefrom, including any amount on account of principal, interest, profit or other amount resulting from the realisation or liquidation thereof. The security created pursuant to the Deed of Pledge will become enforceable upon the service of a Guarantor Default Notice.

#### *Governing law*

The Deed of Pledge is governed by Italian law.

#### **Deed of Charge**

The Guarantor may enter into the Deed of Charge with the Representative of the Covered Bondholders pursuant to which, without prejudice and in addition to any security, guarantees and other rights provided by the Securitisation and Covered Bond Law and the Deeds of Pledge securing the discharge of the Guarantor's obligations to the Covered Bondholders and the Other Creditors, the Guarantor will charge and assign in favour of the Representative of the Covered Bondholders as trustee for the Covered Bondholders and the Other Creditors all of its right, title, benefit and interest under the Swap Agreements, including the benefit of any guarantees thereunder, and right or title on or to any asset subject to English law. The security created pursuant to the Deed of Charge will become enforceable upon the service of a Guarantor Default Notice.

#### *Governing law*

The Deed of Charge will be governed by English law.

#### **Corporate Services Agreement**

On 11 July 2013, the Guarantor Corporate Servicer and the Guarantor have entered into a corporate services agreement with the Guarantor Corporate Servicer (the "**Corporate Services Agreement**"), pursuant to which the Guarantor Corporate Servicer has agreed to provide certain corporate and administrative services to the Guarantor.

#### *Governing law*

The Corporate Services Agreement is governed by Italian law.

#### **Quotaholders' Agreement**

For a description of the Quotaholders' Agreement, see "*The Guarantor*".

### **Merger Plan and amendments to the Transaction Documents**

On 16 November 2018, the Issuer announced the completion of the merger plan relating to the merger by incorporation of Crédit Agricole Carispezia S.p.A. (the "**Merged Bank**") into Crédit Agricole Italia (the "**Merger Plan**") and the signing of the relevant merger agreement. With the merger by incorporation and the migration of the Merged Bank the Merger Plan was substantially completed on 21 July 2019.

As a consequence of the completion of the Merger Plan, Crédit Agricole Italia has succeeded to the Merged Bank as party in the Transaction Documents and the rights and obligations of the Merged Bank as Seller, Subordinated Lender and Sub-Servicer deriving from such Transaction Documents have been transferred to Crédit Agricole Italia.

## CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional obligations of the Issuer. The Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Representative of the Covered Bondholders of an Issuer Default Notice on the Issuer and on the Guarantor or, if earlier, following the occurrence of a Guarantor Event of Default, service by the Representative of the Covered Bondholders of a Guarantor Default Notice on the Guarantor.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- the Covered Bond Guarantee provides credit support;
- the Statutory Tests are periodically performed with the intention of ensuring that the Cover Pool is at all times sufficient to repay the Covered Bonds;
- the Amortisation Test is periodically performed, following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice on the Issuer and the Guarantor, for the purpose of testing the asset coverage of the Guarantor's assets in respect of the Covered Bonds;
- a Reserve Fund Account will be established which will build up over time using excess cash flow from Interest Available Funds and Principal Available Funds, in order to ensure that the Guarantor will have sufficient funds set aside to fulfil its obligation to pay interest accruing with respect to the Covered Bonds; and
- the swap agreements that may be entered into in order to hedge certain interest rate, currency or other risks, in respect of amounts received and/or payable by the Guarantor.

Certain of these factors are considered more fully in the remainder of this section.

### **Guarantee**

The Covered Bond Guarantee provided by the Guarantor guarantees payment of Guaranteed Amounts when they become due for payment in respect of all Covered Bonds issued under the Programme.

See "*Overview of the Transaction Documents — Covered Bond Guarantee*" above, as regards the terms of the Covered Bond Guarantee. See "*Cashflows — Guarantee Priority of Payments*" further, as regards the payment of amounts payable by the Guarantor to Covered Bondholders and the Other Issuer Creditors following the occurrence of an Issuer Event of Default.

### **Compliance with the Tests**

Under the terms of the Cover Pool Management Agreement, each Relevant Seller (as defined under the Cover Pool Management Agreement) (and failing which, the Issuer, failing which, the other Seller(s)) must ensure that, on each Calculation Date prior to service of an Issuer Default Notice, the Cover Pool is in compliance with the Tests described below. If on any Calculation Date the Cover Pool is not in compliance with the Tests, then the Relevant Seller (and failing which, the Issuer, failing which, the other Seller(s)) will sell Eligible Assets or Top-Up Assets to the Guarantor for an amount sufficient to allow the Tests to be met on the next following Calculation Date, in accordance with the relevant Master Loans Purchase Agreements and the Cover Pool Management Agreement, to be financed through the proceeds of Term Loans to be granted by the Relevant Seller(s), and/or the Issuer and/or the other Seller(s) (each only in respect of the Eligible Assets and/or Top-Up Assets transferred by it).

### ***Statutory Tests***

The Statutory Tests are intended to ensure that the Guarantor can meet its obligations under the Covered Bond Guarantee. In order to ensure that the statutory tests provided for under Article 3 of Decree No. 310 (the "**Statutory Tests**") are satisfied and that the Cover Pool is at all times sufficient to repay the Covered Bonds, each Seller (and failing the Seller to do so, the Issuer) must ensure that the three tests set out below are satisfied on each Calculation Date.

### ***Nominal Value Test***

The Calculation Agent shall verify that on each Calculation Date, the aggregate Outstanding Principal Balance of the Eligible Cover Pool shall be higher than or equal to the Outstanding Principal Amount of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Calculation Date.

For the purpose of the above, the Calculation Agent shall consider the Outstanding Principal Balance of the Eligible Cover Pool as an amount equal to the "**Nominal Value**", which will be calculated on each Calculation Date, by applying the following formula:

$$A + B + C - Y - W - Z$$

where,

"A" stands for the "**Adjusted Outstanding Principal Balance**" of each Mortgage Loan, in the Cover Pool as at the relevant Calculation Date, which shall be the lower of:

- (i) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated on the relevant Calculation Date; and

the Latest Valuation relating to that Mortgage Loan multiplied by M,

where

- (a) for all Residential Mortgage Loans that are not Defaulted Loans,  $M = 0.80$ ; and
- (b) for all Mortgage Loans that are Defaulted Loans  $M = 0$ ;

*minus*

the aggregate sum of the following deemed reductions to the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool, if any of the following occurred during the previous Collection Period:

- (1) a Mortgage Loan (or any security granted in relation thereto, the "**Related Security**") was, in the immediately preceding Collection Period, in breach of the representations and warranties contained in the Warranty and Indemnity Agreement or was subject to any other obligation of the relevant Seller to repurchase the relevant Mortgage Loan and its Related Security, and in each case the Seller has not repurchased the Mortgage Loan or Mortgage Loans of the relevant Debtor to the extent required by the terms of the Master Loans Purchase Agreement (each such loan being an "**Affected Loan**"). In this event, the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool (as calculated on the relevant Calculation Date) will be deemed to be reduced by an amount equal to the Adjusted Outstanding Principal Balance of the relevant Affected Loan or Affected Loans (as calculated on the relevant Calculation Date); and/or
- (2) the Issuer (in its capacity as Seller) or any other Seller, in the preceding Collection Period, was in

breach of any other material warranty under the relevant Master Loans Purchase Agreement and/or the Master Servicer was, in the preceding Collection Period, in breach of a material term of the Master Servicing Agreement. In this event, the aggregate Adjusted Outstanding Principal Balance of the Mortgage Loans in the Cover Pool (as calculated on the relevant Calculation Date) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Collection Period (such financial loss to be calculated by the Guarantor or on its behalf without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Issuer, the relevant Seller and/or the Master Servicer to indemnify the Guarantor for such financial loss);

*multiplied* by the Asset Percentage;

"**B**" stands for the aggregate amount standing to the credit of the Principal Collection Accounts and the principal amount of any Eligible Assets or Top-Up Assets qualifying as Eligible Investment;

"**C**" stands for the aggregate Outstanding Principal Balance of any Eligible Assets other than Mortgage Loans and Eligible Investments;

"**Y**" is equal to the Potential Set-Off Amount;

"**W**" is equal to the Commingling Amount; and

"**Z**" stands for the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding multiplied by the aggregate Principal Amount of the Covered Bonds multiplied by the Negative Carry Factor.

The "**Asset Percentage**" means the lower of (i) 93.00 per cent and (ii) such other percentage figure as may be determined by the Issuer on behalf of the Guarantor in accordance with the methodologies published by the Rating Agency (after procuring the required level of overcollateralization in line with target rating). Such new figure of the Asset Percentage shall be (a) notified to the Representative of the Covered Bondholders, the Rating Agency, the Master Servicer, the Calculation Agent and the Asset Monitor not later than 5 Business Days before each Calculation Date and (b) set out in the Investors Report, and shall thus form part of the calculation of the Nominal Value Test, provided that, in the event the Issuer chooses not to apply such other percentage figure (item (ii) above) of the Asset Percentage, this will not result in a breach of the Nominal Value Test.

#### ***Net Present Value Test***

The Issuer and the Seller shall ensure that the Net Present Value of the Eligible Cover Pool shall be higher than or equal to the Net Present Value of the Covered Bonds at the relevant Calculation Date. The Net Present Value Test will be considered met if, on the relevant Calculation Date, the Net Present Value of the Eligible Cover Pool, net of the transaction costs to be borne by the Guarantor (including the payments of any nature expected to be borne or due with respect to any Swap Agreement) shall be higher than or equal to the Net Present Value of all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Calculation Date.

For the purpose of the above, the Calculation Agent shall consider the "**Net Present Value of the Cover Pool**" as an amount equal to:

$$\mathbf{A + B}$$

where:



"A" stands for the net present value of all Eligible Assets and Top Up Assets comprised in the Eligible Cover Pool, including any sum standing to the credit of the Accounts, minus the payments to be made in priority to or *pari passu* with the amounts to be paid in relation to the Covered Bonds in accordance with the relevant Priority of Payments; and

"B" stands for the net present value of any and each Swap Agreement, if any.

The "Net Present Value of the Covered Bonds" is an amount equal to the value resulting from discounting at a given discount rate a series of future payments or incomes (as the case may be) of the Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms.

### ***Interest Coverage Test***

The Issuer and the Seller must ensure that on each Calculation Date the amount of interest and other revenues generated by the assets included in the Eligible Cover Pool, net of the costs borne by the Guarantor (including the payments of any nature expected to be borne or due with respect to any Swap Agreement), shall be higher than the amount of interest due on all Series of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with their Final Terms at the relevant Calculation Date, taking into account the Swap Agreements entered into in connection with the Programme.

The Interest Coverage Test will be considered met if, on the relevant Calculation Date, the Expected Revenue Income (as defined below) is in an amount equal to or greater than the Expected Revenue Liability (as defined below), both as calculated on the relevant Calculation Date.

The "Expected Revenue Income" will be an amount calculated on each Calculation Date by applying the following formula:

$$A+B+C$$

where,

"A" stands for the aggregate amount standing to the credit of the Interest Collection Accounts as of the relevant Calculation Date;

"B" stands for any payments that the Guarantor is expected to receive under any Swap Agreement from the immediately following Calculation Date and ending on the date falling 12 months thereafter; and

"C" stands for the interest component of all the Instalments – relating to the Eligible Assets and Top Up Assets comprised in the Eligible Cover Pool – falling due from the relevant Calculation Date to the date falling 12 months thereafter (such interest payments to be calculated with respect to the applicable interest rates as of the relevant Calculation Date), plus any amount of interest, profit or other premium to be received under the Eligible Investments existing as at such Calculation Date.

The "Expected Revenue Liability" will be an amount calculated on each Calculation Date by applying the following formula:

$$D+E+F$$

where,

"D" stands for the aggregate amount of all interest payments due under all outstanding Series of Covered Bonds on the Interest Payment Dates falling in the period starting from the immediately following Calculation Date and ending on the date falling 12-months thereafter (such interest payments to be calculated with respect to the applicable interest rates as of the relevant Calculation Date);

"E" stands for any Senior Liabilities (net of any amounts credited to the Reserve Fund Account and payments made under any and all Swap Agreements) expected to be borne by the Guarantor during the period starting from the immediately following Calculation Date and ending on the date falling 12-months thereafter; and

"F" stands for any payments expected to be borne or due by the Guarantor under any Swap Agreement as at the end of the Guarantor Payment Period.

The Interest Coverage Test will:

(i) be met if  $A+B+C \geq D+E+F$ ; or

not be met if  $A+B+C < D+E+F$ .

#### ***Amortisation Test***

The Amortisation Test is intended to ensure that, following an Issuer Event of Default, the service of an Issuer Default Notice on the Issuer and on the Guarantor (but prior to service on the Guarantor of a Guarantor Default Notice), the Cover Pool contains sufficient assets to enable the Guarantor to meet its obligations under the Covered Bond Guarantee. The Amortisation Test will be considered met if, on the relevant Calculation Date, the Amortisation Test Aggregate Loan Amount is an amount at least equal to the Outstanding Principal Amount of the issued Covered Bonds as calculated on the relevant Calculation Date. If the Amortisation Test Aggregate Loan Amount is less than the Outstanding Principal Amount of the issued Covered Bonds, then the Amortisation Test will be deemed to be breached and if such breach is not remedied by the Relevant Seller(s) (or failing which, the Issuer or, failing the Issuer, the other Seller(s)) within the terms set out under the Cover Pool Management Agreement, a Guarantor Default Notice will be served by the Representative of the Covered Bondholders on the Guarantor causing the acceleration of the Covered Bonds and a demand for enforcement of the Covered Bond Guarantee. The Calculation Agent, whilst Covered Bonds are outstanding, will immediately notify the Representative of the Covered Bondholders of any breach of the Amortisation Test. Following a Guarantor Default Notice, the Guarantor will be required to make payments in accordance with the Post-Enforcement Priority of Payments.

The "**Amortisation Test Aggregate Loan Amount**" will be calculated on each Calculation Date as follows:

$$A + B + C - Z$$

where,

"A" stands for the aggregate "**Adjusted Outstanding Principal Balance**" of each Mortgage Loan in the Cover Pool as at the relevant Calculation Date, which shall be the lower of:

(i) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated on the relevant Calculation Date; and

(ii) the Latest Valuation relating to that Mortgage Loan multiplied by M,

where

- (b) for all Residential Mortgage Loans that are not Defaulted Loans,  $M = 0.80$ ;
- (c) for all Mortgage Loans that are Defaulted Loans  $M = 0$ ;
- "B"** stands for the aggregate amount standing to the credit of the Principal Collection Accounts and the principal amount of any Eligible Assets or Top-Up Assets qualifying as Eligible Investment;
- "C"** stands for the aggregate Outstanding Principal Balance of any Eligible Assets other than Mortgage Loans and Eligible Investments; and
- "Z"** stands for the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding multiplied by the aggregate Outstanding Principal Amount of the Covered Bonds multiplied by the Negative Carry Factor.

***Reserve Fund Account***

The Reserve Fund Account is held in the name of the Guarantor for the purpose of setting aside, on each Guarantor Payment Date, the relevant Reserve Fund Amount. Such Reserve Fund Amount will be determined on each Calculation Date in an amount sufficient to ensure that, in the event that a payment is required to the Guarantor under the Covered Bond Guarantee, the Guarantor would have sufficient funds set aside and readily available to pay (i) interest amounts accruing, from time to time, with respect to all outstanding Series of Covered Bonds during the immediately following Guarantor Payment Period (such that, if Liability Swap Agreements are in place for a Series of Covered Bonds, such interest amounts accruing will be the higher of the amount due to the Liability Swap Provider or the amount due to the Covered Bondholders of such Series, and if Liability Swap Agreements are not in place for a Series of Covered Bonds, such interest amounts accruing will be the amount due the Covered Bondholders of such Series), provided that on each Calculation Date immediately preceding each Interest Payment Date, the Reserve Fund Amount will be calculated on the basis of the Euribor determined on the immediately preceding Interest date, *plus* with reference to the first Guarantor Payment Date following the Issue Date of any Series of Covered Bonds, interest accruing in respect of such Series of Covered Bonds from the Issue date to such Guarantor Payment Date, *plus* (ii) the aggregate amount to be paid by the Guarantor on the immediately following Guarantor Payment Date in respect of the items (*First*) to (*Third*) of the Pre-Issuer Event of Default Interest Priority of Payments.

## CASH FLOWS

As described above under "*Credit Structure*", until an Issuer Default Notice is served on the Issuer and the Guarantor, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor.

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

### Definitions

For the purposes hereof:

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

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

"**Individual Purchase Price**" means, with respect to each Receivable transferred pursuant to the Master Loan Purchase Agreements: (i) the *Ultimo Valore di Iscrizione in Bilancio* (as defined under the Master Definition Agreement) of the relevant Receivable minus all principal and interest collections (with respect only to the amounts of interest which constitute the *Ultimo Valore di Iscrizione in Bilancio*) received by the Seller with respect to the relevant Receivables from the date of the most recent financial statements of the Seller up to the relevant Transfer Date (included) and increased of the amount of interest accrued

and not yet collected on such Receivables during the same period; or, at the option of the relevant Seller (ii) such other value, as indicated by the relevant Seller in the Transfer Notice, as will allow the Seller to consider each duty or tax due as if the relevant Receivables had not been transferred for the purpose of article 7-bis, sub-paragraph 7, of the Securitisation and Covered Bond Law.

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

- (a) all principal amounts (and any interest amount taken into account for the purpose of the Individual Purchase Price of each Receivable) collected by the Master Servicer or any Sub-Servicer in respect of the Cover Pool and credited to the Principal Collection Accounts net of the amounts applied to purchase Eligible Assets and Top-Up Assets during the Collection Period preceding the relevant Calculation Date;
- (b) all other recoveries in the nature of principal received by the Master Servicer or any Sub-Servicer and credited to the Principal Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (c) all principal amounts received from each Seller by the Guarantor pursuant to the relevant Master Loans Purchase Agreement;
- (d) the proceeds of any disposal of Eligible Assets and any disinvestment of Top-Up Assets;
- (e) where applicable, any swap principal payable under the Swap Agreements other than any Swap Collateral Excluded Amounts; and
- (f) all the amounts allocated pursuant to item *Sixth* of the Pre-Issuer Event of Default Interest Priority of Payments.

## **PRIORITY OF PAYMENTS**

### ***Pre-Issuer Event of Default Interest Priority of Payments***

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

- (a) *First*, pari passu and pro rata, according to the respective amounts thereof, (i) to pay any Expenses of the Guarantor owed to third parties, and (ii) to credit to the Expenses Account such an amount as to bring the balance of the Expenses Account up to, but not exceeding, the Retention Amount;
- (b) Second, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (c) Third, to pay, pari passu and pro rata, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Sub-Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor and the Principal Paying Agent;
- (d) Fourth, where applicable, to pay any amounts due and payable to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party) other than the swap principal;
- (e) Fifth, to transfer to the Reserve Fund Account the relevant Reserve Fund Amount;

- (f) Sixth, to allocate to the Principal Available Funds an amount equal to the amounts, if any, allocated on the immediately preceding Guarantor Payment Date and on any preceding Guarantor Payment Date pursuant to item *Second* of the Pre Issuer Event of Default Principal Priority of Payments, net of any amount already allocated under this item *Sixth* on any previous Guarantor Payment Date;
- (g) Seventh, to pay any payments due and payable by the Guarantor to any Swap Provider not paid under item *Fourth* above; and
- (h) Eighth, to pay any Premium due to the Subordinated Lenders under the relevant Term Loans.

#### **Pre-Issuer Event of Default Principal Priority of Payments**

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

- (a) *First*, to pay any swap principal due to any Swap Provider;
- (b) *Second*, to transfer any amounts to the Reserve Fund Account necessary in order to make up any shortfall in the Reserve Fund Amount;
- (c) *Third*, to repay the Term Loans advanced by the Subordinated Lenders under the relevant Subordinated Loan Agreements, provided the Tests and the Relevant Portfolio Test and the other conditions set forth under Clause 6.2 of the relevant Subordinated Loan Agreement are complied with; and
- (d) *Fourth*, to the extent that any Subordinated Lender has not received amounts as repayment of the Term Loans under item *Third* above, to deposit, pursuant to Clause 6.2.2 of the Subordinated Loan Agreements, the relevant amounts in the appropriate Principal Collection Account(s).

#### **Guarantee Priority of Payments**

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

- (a) *First*, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) to pay any Expenses of the Guarantor owed to third parties, and (ii) to credit to the Expenses Account such an amount as to bring the balance of the Expenses Account up to, but not exceeding, the Retention Amount;
- (b) *Second*, to pay any amount due and payable to the Representative of the Covered Bondholders;
- (c) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Sub-Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor and the Principal Paying Agent;
- (d) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amounts, other than in respect of principal, due and payable on such Guarantor Payment Date or during the next following Guarantor Payment Period (i) to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the

Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds;

- (e) *Fifth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amounts in respect of principal due and payable on such Guarantor Payment Date or during the immediately following Guarantor Payment Period; (i) to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) on the Covered Bonds;
- (f) *Sixth*, to deposit in the Reserve Fund Account any cash balances until the Covered Bonds have been repaid in full or sufficient amounts have been accumulated to pay outstanding Covered Bonds;
- (g) *Seventh*, to pay any termination payments due and payable by the Guarantor to the Swap Providers not paid under item *Fourth* or *Fifth* above;
- (h) *Eighth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;
- (i) *Ninth*, to pay any principal due and payable to the Subordinated Lenders under the relevant Term Loans; and
- (j) *Tenth*, to pay any Premium due to the Subordinated Lenders under the relevant Term Loans.

#### **Application of Moneys following Occurrence of a Guarantor Event of Default**

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

- (a) *First*, *pari passu* and *pro rata*, according to the respective amounts thereof, (i) to pay any Expenses of the Guarantor owed to third parties, and (ii) to credit to the Expenses Account such an amount as to bring the balance of the Expenses Account up to, but not exceeding, the Retention Amount;
- (b) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Representative of the Covered Bondholders and the remuneration due to any Receiver and any proper costs and expenses incurred by it;
- (c) *Third*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable to the Master Servicer, the Sub-Servicer, the Account Bank, the Cash Manager, the Calculation Agent, the Guarantor Corporate Servicer, the Asset Monitor and the Principal Paying Agent;
- (d) *Fourth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof: (i) any amounts due and payable to any Swap Provider (including any termination payments due and payable by the Guarantor except where the relevant Swap Provider is the Defaulting Party or the Sole Affected Party); and (ii) any interest and any Outstanding Principal Amount due under all outstanding Series of Covered Bonds;
- (e) *Fifth*, to pay any termination payments due and payable by the Guarantor to any Swap Provider not paid under item *Fourth* above;
- (f) *Sixth*, to pay to the Sellers any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items above;

- (g) *Seventh*, to pay any principal due and payable to the Subordinated Lenders under the relevant Term Loans; and
- (h) *Eighth*, to pay any Premium due to the Subordinated Lenders under the relevant Term Loans.



## DESCRIPTION OF THE COVER POOL

The Cover Pool is comprised of (i) the Portfolio, which is in turn comprised of Mortgage Loans and related collateral assigned to the Guarantor by the Sellers in accordance with the terms of the Master Loans Purchase Agreement and (ii) any other Eligible Assets and Top-Up Assets held by the Guarantor.

The Initial Portfolio and each New Portfolio acquired by the Guarantor (the "**Portfolio**"), consists of Mortgage Loans sold by any of the Sellers to the Guarantor from time to time, in accordance with the terms of the Master Loans Purchase Agreement, as more fully described under "*Overview of the Transaction Documents — Master Loans Purchase Agreements*".

For the purposes hereof:

"**Initial Portfolio**" means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from each Seller pursuant to the relevant Master Loans Purchase Agreement;

"**New Portfolio**" means any portfolio of Receivables (other than the Initial Portfolio), comprising Eligible Assets, which may be purchased by the Guarantor from any Seller pursuant to the terms and subject to the conditions of the relevant Master Loans Purchase Agreement.

### Eligibility Criteria

The sale of Loans and their Related Security and the transfer of any other Eligible Asset or Top-Up Asset to the Guarantor will be subject to various conditions (the "**Eligibility Criteria**") being satisfied on the relevant Transfer Date (except as otherwise indicated). The Eligibility Criteria with respect to each asset type will vary from time to time but will at all times include criteria so that Italian law requirements are met.

The following assets (*attivi idonei*) are considered eligible under Article 2, sub-paragraph 1, of Decree No. 310:

- (a) residential mortgage loans that have an LTV that does not exceed 80 per cent and for which the hardening period with respect to the perfection of the relevant mortgage has elapsed;
- (b) commercial mortgage loans that have an LTV that does not exceed 60 per cent and for which the hardening period with respect to the perfection of the relevant mortgage has elapsed;
- (c) receivables owed by, securities issued by, or receivables or securities which have the benefit of a guarantee eligible for credit risk mitigation granted by:
  - (i) public entities, including ministerial bodies and local or regional bodies, located within the European Economic Area or Switzerland for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach; and
  - (ii) public entities, located outside the European Economic Area or Switzerland, for which a 0 per cent. risk weight is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach — or regional or local public entities or non-economic administrative entities, located outside the European Economic Area or Switzerland, for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach;
- (d) asset backed securities for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for Banks — standardised approach —

*provided that* at least 95 per cent. of the relevant securitised assets are:

- (i) residential mortgage loans that have an LTV that does not exceed 80 per cent. and for which the hardening period with respect to the perfection of the relevant mortgage has elapsed;
- (ii) commercial mortgage loans that have an LTV that does not exceed 60 per cent. and for which the hardening period with respect to the perfection of the relevant mortgage has elapsed;
- (iii) receivables or securities satisfying the requirements indicated under item (c) above;

*provided that* the assets described under item (d)(ii) above may not amount to more than 10 per cent. of the aggregate nominal value of the Cover Pool.

### ***Eligibility Criteria for Mortgage Loans***

Under the Master Loans Purchase Agreements, the relevant Sellers and the Guarantor have agreed the following common criteria (the "**Common Criteria**") (see "*Overview of the Transaction Documents — Master Loans Purchase Agreements*" above) that will be applied in selecting the Mortgage Loans that will be transferred thereunder to the Guarantor:

Receivables arising from loans:

- which are residential mortgage receivables (i) with a risk weight not higher than 35% and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80% of the value of the property, in accordance with Decree No. 310, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35% and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80% of the value of the residential property;
- in relation to which the consolidation period applicable to the relevant mortgage has ended and the relevant mortgage is not subject to appeal pursuant to Article 67 of Royal Decree No. 267 of 16 March 1942 and, where applicable, Article 39, paragraph 4, of Legislative Decree No. 385 of 1 September 1993;
- which have been drawn or purchased by banks belonging to Crédit Agricole Italia Banking Group;
- which are governed by Italian law;
- in relation to which no instalments outstanding for more than 30 days from the due payment date subsist;
- which do not include any clauses limiting the possibility for the relevant Seller to assign the receivables arising thereunder or providing the debtor's consent for such assignment, the relevant Seller has obtained such consent;
- in respect of which the pre-amortization period, if provided for under the relevant loan agreement, has elapsed or in relation to which the debtor has paid at least one instalment;
- which provide for all payments on behalf of the debtor to be made in Euro;
- which have been fully disbursed;
- which have been granted to: (A) an individual (including individuals who are, or were as of the date the mortgage was drawn, employees of any company within the Crédit Agricole Italia Banking Group); (B) a legal person (excluding public sector entities, local authorities and central administrations and central banks); or (C) more individuals or legal persons jointly;

- which bear a floating interest rate (determined from time to time by the relevant Seller) or a fixed interest rate.

## DESCRIPTION OF CERTAIN RELEVANT LEGISLATION IN ITALY

*The following is a general description of the Securitisation and Covered Bond Law (as defined below). It does not purport to be a complete analysis of the legislation described below or of the other considerations relating to the Covered Bonds arising from Italian laws and regulations. Furthermore, this overview is based on Italian Legislation as in effect on the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect. This description will not be updated to reflect changes in laws. Accordingly, prospective Covered Bondholders should consult their own advisers as to the risks arising from Italian legislations that may affect any assessment by them of the Covered Bonds.*

### ***The Securitisation and Covered Bond Law***

The legal and regulatory framework with respect to the issue of covered bonds in Italy comprises the following:

- Article 7-*bis* and article 7-*ter* of the Law No. 130 of 30 April 1999 (as amended and supplemented from time to time, the "**Securitisation and Covered Bond Law**");
- the regulations issued by the Italian Ministry for the Economy and Finance on 14 December 2006 under Decree No. 310 (the "**Decree No. 310**");
- the C.I.C.R. Decree dated 12 April 2007; and
- Part III, Chapter 3 of the "*Disposizioni di Vigilanza per le Banche*" (*Circolare* No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**Bank of Italy Regulations**").

Law Decree No. 35 of 14 March 2005, converted by Law No. 80 of 14 May 2005, amended the Securitisation and Covered Bond Law by adding two new articles, Articles 7-*bis* and 7-*ter*, which enable banks to issue covered bonds. Articles 7-*bis* and 7-*ter*, however, required both the Italian Ministry of Economy and Finance and the Bank of Italy to issue specific regulations before the relevant structures could be implemented. Further amendments have been provided for by Law Decree no. 145 of 23 December 2013 as converted with amendments into Law n. 9 of 21 February 2014 and Law Decree no. 91 of 24 June 2014 as converted with amendments into Law No. 116 of 11 August 2014.

The Bank of Italy published new supervisory regulations on banks in December 2013 (*Circolare* of the Bank of Italy No. 285 of 17 December 2013) which came into force on 1 January 2014, implementing CRD IV Package and setting out additional local prudential rules concerning matters not harmonised on EU level. Following the publication on 24 June 2014 of the 5<sup>th</sup> update to Circular of the Bank of Italy No. 285 of 17 December 2013, which added a new Chapter 3 ("*Obbligazioni bancarie garantite*") in Part III contained therein, the provisions set forth under Title V, Chapter 3 of *Circolare* No. 263 of 27 December 2006 have been abrogated.

The Bank of Italy Regulations, among other things, regulate:

- the capital adequacy requirements that issuing banks must satisfy in order to issue covered bonds and the ability of issuing banks to manage risks;
- limitations on the total value of eligible assets that banks, individually or as part of a group, may transfer as cover pools in the context of covered bond transactions;
- criteria to be adopted in the integration of the assets constituting the cover pools;
- the identification of the cases in which the integration is permitted and its limits; and

- monitoring and surveillance requirements applicable with respect to covered bond transactions and the provision of information relating to the transaction.

### ***Basic structure of a covered bond issue***

The structure provided under Article 7-*bis* with respect to the issue of covered bonds may be summarised as follows:

- a bank transfers a pool of eligible assets (*i.e.* the cover pool) to an Article 7-*bis* special purpose vehicle (the "SPV");
- the bank grants the SPV a subordinated loan in order to fund the payment by the SPV of the purchase price due for the cover pool;
- the bank issues the covered bonds which are supported by a first demand, unconditional and irrevocable guarantee issued by the SPV for the exclusive benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction. The Guarantee is backed by the entire cover pool held by the SPV.

Article 7-*bis* however also allows for structures which contemplate different entities acting respectively as cover pool provider, subordinated loan provider and covered bonds issuer.

### ***The SPV***

The Italian legislator chose to implement the new legislation on covered bonds by supplementing the Securitisation and Covered Bond Law, thus basing the new structure on a well established platform and applying to covered bonds many provisions with which the market is already familiar in relation to Italian securitisations. Accordingly, as is the case with the special purpose entities which act as issuers in Italian securitisation transactions, the SPV is required to be established with an exclusive corporate object that, in the case of covered bonds, must be the purchaser of assets eligible for cover pools and the person giving guarantees in the context of covered bond transactions.

### ***The guarantee***

The Decree No. 310 provides that the guarantee issued by the SPV for the benefit of the bondholders must be irrevocable, first-demand, unconditional and independent from the obligations of the issuer of the covered bonds. Furthermore, upon the occurrence of a default by the issuer in respect of its payment obligations under the covered bonds, the SPV must provide for the payment of the amounts due under the covered bonds, in accordance with their original terms and with limited recourse to the amounts available to the SPV from the cover pool. The acceleration of the issuer's payment obligations under the covered bonds will not therefore result in a corresponding acceleration of the SPV's payment obligations under the guarantee (thereby preserving the maturity profile of the covered bonds).

Upon an insolvency of the issuer, the SPV will be solely responsible for the payment obligations of the issuer owed to the covered bond holders, in accordance with their original terms and with limited recourse to the amounts available to the SPV from the cover pool. In addition, the SPV will be exclusively entitled to exercise the rights of the covered bond holders vis à vis the issuer's bankruptcy in accordance with the applicable bankruptcy law. Any amounts recovered by the SPV from the bankruptcy of the issuer become part of the cover pool.

Finally, if a moratorium is imposed on the issuer's payments, the SPV will fulfil the issuer's payment obligations, with respect to amounts which are due and payable and with limited recourse to the cover

pool. The SPV will then have recourse against the issuer for any such payments.

**Segregation and subordination**

Article 7-bis provides that the assets comprised in the cover pool and the amounts paid by the debtor with respect to the receivables and/or debt securities included in the cover pool are exclusively designated and segregated by law for the benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction.

In addition, Article 7-bis expressly provides that the claim for reimbursement of the loan granted to the SPV to fund the purchase of assets in the cover pool is subordinated to the rights of the covered bond holders and of the hedging counterparties involved in the transaction.

**Exemption from claw-back**

Article 7-bis provides that the guarantee and the subordinated loan granted to fund the payment by the SPV of the purchase price due for the cover pool are exempt from the bankruptcy claw-back provisions set out in Article 67 of the Italian Bankruptcy Law (i.e. Royal Decree No. 267 of 16 March 1942).

In addition to the above, any payments made by an assigned debtor to the SPV may not be subject to any claw-back action according to Article 65 of the Italian Bankruptcy Law.

**The issuing bank**

The Bank of Italy Regulations provide that covered bonds may only be issued by banks which individually satisfy, or which belong to banking groups which, on a consolidated basis:

- have own funds of at least Euro 250,000,000; and
- have a minimum total capital ratio of not less than 9 per cent.

Banks not complying with the above mentioned requirements may set up covered bond programmes only prior notice to the Bank of Italy, which may start an administrative process to assess the compliance with the required requirements.

The Bank of Italy Regulations specify that the requirements above also apply to the bank acting as cover pool provider (in the case of structures in which separate entities act respectively as issuing bank and as cover pool provider).

The Bank of Italy Regulations furthermore provide that the total amount of eligible assets that a bank may transfer to cover pools in the context of covered bond transactions is subject to limitations linked to the tier 1 ratio and common equity tier 1 ratio of the individual bank (or of the relevant banking group, if applicable) as follows:

Ratios	Transfer Limitations
"A" range - Tier 1 ratio ≥ 9% - Common Equity Tier 1 ratio ≥ 8%	No limitation
"B" range - Tier 1 ratio ≥ 8% - Common Equity Tier 1 ratio ≥ 7%	Up to 60% of eligible assets may be transferred
"C" range - Tier 1 ratio ≥ 7%	Up to 25% of eligible assets may be

transferred

- Common Equity Tier 1 ratio  $\geq$  6%

The Bank of Italy Regulations clarify that the ratios provided with respect to each range above must be satisfied jointly: if a bank does not satisfy both ratios with respect to a specific range, the range applicable to it will be the following, more restrictive, range. Accordingly, if a bank (or the relevant banking group) satisfies the "b" range tier 1 ratio but falls within the "c" range with respect to its common equity tier 1 ratio, the relevant bank will be subject to the transfer limitations applicable to the "c" range.

In addition to the above, certain further amendments have been introduced in respect of the monitoring activities to be performed by the asset monitor.

### ***The Cover Pool***

For a description of the assets which are considered eligible for inclusion in a cover pool under Article 7-bis, see "*Description of the Cover Pool - Eligibility Criteria*".

### ***Ratio between cover pool value and covered bond outstanding amount***

The Decree No. 310 provides that the cover pool provider and the issuer must continually ensure that, throughout the transaction:

- the aggregate nominal value of the cover pool is at least equal to the nominal amount of the relevant outstanding covered bonds;
- the net present value of the cover pool (net of all the transaction costs borne by the SPV, including in relation to hedging arrangements) is at least equal to the net present value of the relevant outstanding covered bonds;
- the interest and other revenues deriving from the cover pool (net of all the transaction costs borne by the SPV) are sufficient to cover interest and costs due by the issuer with respect to the relevant outstanding covered bonds, taking into account any hedging agreements entered into in connection with the transaction.

In respect of the above, under the Bank of Italy Regulations, strict monitoring procedures are imposed on banks for the monitoring of the transaction and of the adequacy of the guarantee on the cover pool. Such activities must be carried out both by the relevant bank and by an asset monitor, to be appointed by the bank, which is an independent accounting firm. The asset monitor must prepare and deliver to the issuing bank's board of auditors, on an annual basis, a report detailing its monitoring activity and the relevant findings.

The Bank of Italy Regulations require banks to carry out the monitoring activities described above at least every 6 months with respect to each covered bond transaction. Furthermore, the internal auditors of banks must comprehensively review every 12-months the monitoring activity carried out with respect to each covered bond transaction, basing such review, among other things, on the evaluations supplied by the asset monitor.

In addition to the above, the Bank of Italy Regulations provide that the management body of the issuing bank must ensure that the internal structures delegated to the risk management verify at least every six months and for each transaction carried out the completeness, accuracy and timeliness of information available to investors pursuant to art. 129, paragraph 7, of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013.

In order to ensure that the monitoring activities above may be appropriately implemented, the Bank of Italy Regulations require that the entities participating in covered bond transactions be bound by appropriate contractual undertakings to communicate to the issuing bank, the cover pool provider and the entity acting as servicer in relation to the cover pool assets all the necessary information with respect to the cover pool assets and their performance.

### ***Substitution of assets***

The Decree No. 310 and the Bank of Italy Regulations provide that, following the initial transfer to the cover pool, the eligible assets comprised in the cover pool may only be substituted or supplemented in order to ensure that the requirements described under "*Ratio between cover pool value and covered bond outstanding amount*", or the higher over-collateralisation provided for under the relevant covered bond transaction documents, are satisfied at all times during the transaction.

The eligible assets comprised in the cover pool may only be substituted or supplemented by means of:

- the transfer of further assets (eligible to be included in the cover pool in accordance with the criteria described above);
- the establishment of deposits held with banks ("**Qualified Banks**") which have their registered office in a member state of the European Economic Area or in Switzerland or in a state for which a 0 per cent. risk weight is applicable in accordance with the prudential regulations' standardised approach; and
- the transfer of debt securities, having a residual life of less than one year, issued by the Qualified Banks.

The Decree No. 310 and the Bank of Italy Regulations, however, provide that the assets described in the last two paragraphs above, cannot exceed 15 per cent. of the aggregate nominal value of the cover pool. This 15 per cent. limitation must be satisfied throughout the transaction and, accordingly, the substitution of cover pool assets may also be carried out in order to ensure that the composition of the assets comprised in the cover pool continues to comply with the relevant threshold.

The Bank of Italy Regulations clarify that the limitations to the overall amount of eligible assets that may be transferred to cover pools described under "*The Issuing Bank*" above do not apply to the subsequent transfer of supplemental assets for the purposes described under this paragraph.

### ***Taxation***

Article 7-*bis*, sub-paragraph 7, provides that any tax is due as if the granting of the subordinated loan and the transfer of the cover pool had not taken place and as if the assets constituting the cover pool were registered as on-balance sheet assets of the cover pool provider, *provided that*:

- the purchase price paid for the transfer of the cover pool is equal to the most recent book value of the assets constituting the cover pool; and
- the subordinated loan is granted by the same bank acting as cover pool provider.

The provision described above would imply, as a main consequence, that banks issuing covered bonds will be entitled to include the receivables transferred to the cover pool as on-balance receivables for the purpose of tax deductions applicable to reserves for the depreciation on receivables in accordance with Article 106 of Presidential Decree No. 917 of 22 December 1986.



## TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Covered Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.*

*Prospective purchasers of the Covered Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Covered Bonds.*

### **Republic of Italy**

#### ***Tax treatment of Covered Bonds issued by the Issuer***

Decree No. 239 sets out the applicable regime regarding the tax treatment of interest, premium and other income from certain securities issued, inter alia, by Italian resident banks (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**"). The provisions of Decree No. 239 only apply to Covered Bonds issued by the Issuer which qualify as obbligazioni (bonds) or titoli similari alle obbligazioni (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**"). Pursuant to Article 44 of Decree No. 917, for securities to qualify as titoli similari alle obbligazioni (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not lower than that therein indicated and (ii) attribute to the holders no direct or indirect right to control or participate in the management of the Issuer.

#### **Italian resident Covered Bondholders**

Where an Italian resident Covered Bondholders is:

- (a) an individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "Capital gains tax" below);
- (b) a non-commercial partnership;
- (c) a private or public institution other than companies, and trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest relating to the Covered Bonds, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent.. In the event that the Covered Bondholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* applies as a provisional tax and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may

be exempt from any income taxation, including the *imposta sostitutiva* on Interest relating to the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**"), as amended and supplemented from time to time.

Where an Italian resident Covered Bondholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Covered Bonds are effectively connected, and the Covered Bonds are deposited with an authorised intermediary, Interest from the Covered Bonds will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant Covered Bondholder's income tax return and is therefore subject to general Italian corporate taxation ("**IRES**") (and, in certain circumstances, depending on the "status" of the Covered Bondholder, also to IRAP (the regional tax on productive activities ("**IRAP**"))).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree No. 351**"), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Covered Bonds made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV ("*Società di investimento a capital variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Covered Bonds are held by an authorised intermediary, Interest accrued during the holding period on the Covered Bonds will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident Covered Bondholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended and supplemented from time to time.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian

resident financial intermediary, and (b) intervene, in any way, in the collection of Interest or in the transfer of the Covered Bonds. For the purpose of the application of the *imposta sostitutiva*, a transfer of Covered Bonds includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Covered Bonds or in a change of the Intermediary with which the Covered Bonds are deposited.

Where the Covered Bonds are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Covered Bondholder or, absent that, by the Issuer.

#### **Non-Italian resident Covered Bondholders**

Where the Covered Bondholder is a non-Italian resident, without a permanent establishment in Italy to which the Covered Bonds are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

- (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy and listed in the Italian Ministerial Decree dated 4 September 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to article 11(4)(c) of Decree No. 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the "**White List**"); or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or
- (d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

In order to ensure gross payment, non-Italian resident Covered Bondholders without a permanent establishment in Italy to which the Covered Bonds are effectively connected must be the beneficial owners of the payments of Interest and must:

- (a) deposit, directly or indirectly, the Covered Bonds with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and
- (b) file with the relevant depository, prior to or concurrently with the deposit of the Covered Bonds, a statement of the relevant Covered Bondholder, which remains valid until withdrawn or revoked, in which the Covered Bondholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Covered Bondholders who do not qualify for the exemption.

Covered Bondholders who are subject to the substitute tax might, nevertheless, be eligible for a total or

partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Covered Bondholder.

#### ***Payments made by an Italian resident guarantor***

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident guarantor under the Guarantee. Accordingly, there can be no assurance that the Italian revenue authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

With respect to payments on the Covered Bonds made to certain Italian resident Covered Bondholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be treated, in certain circumstances, as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

In accordance with another interpretation, any such payment made by the Italian resident Guarantor may be subject to an advance or final withholding tax at a rate of 26 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In the case of payments to non-Italian resident Covered Bondholders, double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

#### **Tax treatment of Covered Bonds qualifying as atypical securities (*titoli atipici*)**

Interest payments relating to atypical securities are subject to 26 per cent. withholding tax.

Atypical securities are securities that do not fall within the category of (a) shares (*azioni*) and securities similar to shares (*titoli similari alle azioni*) and of (b) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*).

Where the Covered Bondholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Covered Bonds for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) an Italian Real Estate Investment Fund, (vii) a Pension Fund, or (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax, on Interest relating to the Covered Bonds qualifying as atypical securities if such Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017, as amended and supplemented from time to time.

Where the Covered Bondholder is (a) an Italian resident individual carrying out a business activity to which the Covered Bonds are effectively connected, or (b) an Italian resident corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Covered Bonds are effectively connected), such withholding tax is an advance withholding tax.

In case of a non-Italian resident Covered Bondholder without a permanent establishment in Italy to which the Covered Bonds are effectively connected, the above mentioned withholding tax rate may be reduced

(generally to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, subject to timely filing of the required documentation.

### Capital gains tax

Any gain obtained from the sale or redemption of the Covered Bonds would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Covered Bondholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Covered Bonds are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Covered Bonds are connected.

Where an Italian resident Covered Bondholder is an individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected, any capital gain realised by such Covered Bondholder from the sale or redemption of the Covered Bonds would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent.. The Covered Bondholders may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- (a) Under the tax declaration regime (regime della dichiarazione), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Covered Bondholders holding the Covered Bonds. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Covered Bonds carried out during any given tax year. Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (b) As an alternative to the tax declaration regime, Italian resident individual Covered Bondholders holding the Covered Bonds not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Covered Bonds (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to:
  - (i) the Covered Bonds being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and
  - (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Covered Bondholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Covered Bonds (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Covered Bondholders or using funds provided by the Covered Bondholders for this purpose. Under the *risparmio amministrato*

regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Covered Bonds may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Covered Bondholders are not required to declare the capital gains in the annual tax return.

- (c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities who have entrusted the management of their financial assets (including the Covered Bonds) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Covered Bondholders are not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Covered Bonds if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended and supplemented from time to time.

Any capital gains realised by a Covered Bondholder who is a Fund will neither be subject to *imposta sostitutiva* on capital gains, nor to any other income tax in the hands of the relevant Covered Bondholders; the Collective Investment Fund Tax will be levied on proceeds distributed by the Fund or received by certain categories of unitholders upon redemption or disposal of the units.

Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, as amended and supplemented from time to time.

Capital gains realised by non-Italian resident Covered Bondholders without a permanent establishment in Italy to which the Covered Bonds are effectively connected, from the sale or redemption of Covered Bonds traded on regulated markets are not subject to the *imposta sostitutiva*. The exemption applies provided that the non-Italian resident Covered Bondholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Covered Bondholder

is not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Covered Bondholders, without a permanent establishment in Italy to which the Covered Bonds are effectively connected, from the sale or redemption of Covered Bonds not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary is:

- (a) resident in a State included in the White List as defined above;
- (b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;
- (c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or
- (d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

If none of the conditions above is met, capital gains realised by non-Italian resident Covered Bondholders, without a permanent establishment in Italy to which the Covered Bonds are effectively connected, from the sale or redemption of Covered Bonds issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.. However, Covered Bondholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Covered Bonds are to be taxed only in the resident tax country of the recipient.

### **Inheritance and gift taxes**

Transfers of any valuable asset (including shares, Covered Bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding, for each beneficiary, Euro 1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding, for each beneficiary, Euro 100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, Euro 1,500,000.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to a Euro 200.00 registration tax as follows:

(i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in "case of use" (*caso d'uso*), in case of "explicit reference" (*enunciazione*) or in case of "voluntary registration" (*registrazione volontaria*).

### **Stamp Duty**

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting

communications which may be sent by a financial intermediary to a Covered Bondholder in respect of any Covered Bonds 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 Covered Bonds held. The stamp duty cannot exceed € 14,000 if the Covered Bondholder is not an individual.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods less than 12 months, the stamp duty is payable on a pro-rata basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client – regardless of the fiscal residence of the investor – (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth Tax on securities deposited abroad**

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes holding the Covered Bonds outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Covered Bonds at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Pursuant to the provisions of Article 134 of Law Decree No. 34/2020, as converted into law with amendments by Law No. 77 of 17 July 2020, the wealth tax cannot exceed € 14,000 for taxpayers different from individuals. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does apply.

### **Tax Monitoring**

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Covered Bonds) directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Covered Bonds deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items



of income derived from the Covered Bonds have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on such instruments, such withholding tax would not apply prior the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Covered Bonds (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

### **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, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Covered Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Covered Bonds should, however, be exempt. Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of

circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Covered Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Programme Agreement entered into, on 11 July 2013, as subsequently amended, between, *inter alia*, the Issuer, the Guarantor, the Dealer and the Arranger. Under the Programme Agreement, the Issuer and the Dealer(s) have agreed that any Covered Bonds of any Series which may from time to time be agreed between the Issuer and any Dealer(s) to be issued by the Issuer and subscribed for by such Dealer(s) shall be issued and subscribed for on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of the Programme Agreement. Any such agreement will, *inter alia*, make provision for the terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Covered Bonds.

### Selling restrictions

#### Public Offer Selling Restriction under the Prospectus Regulation

#### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has

represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may, make an offer of such Covered Bonds to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer or distribution of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a Base Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a Base Prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, (i) the expression an "offer of Covered Bonds to the public" in relation to any Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, (ii) the expression Prospectus Regulation means Regulation (EU) 2017/1129, as amended from time to time.

#### **Prohibition of Sales to UK Retail Investors**

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

If the Final Terms in respect of any Covered Bonds does not include the legend "*Prohibition of Sales to UK Retail Investors*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as

completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

For the purposes of this provision, the expression an offer of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

#### ***United States of America***

The Covered Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States of America or to or for the account or benefit of U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it will not offer, sell or deliver Covered Bonds, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in case of an issue of the Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part within the United States of America or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree, that it will send to each Dealer to which it sells Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States of America or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Covered Bonds an offer or sale of such Covered Bonds within the United States of America by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Japan***

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act no. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and

agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act no. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***The United Kingdom***

In relation to each Series of Covered Bonds, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor, as the case may be; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

### ***Republic of Italy***

The offering of Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Covered Bonds may be offered, sold or delivered, nor copies of the Base Prospectus or of any other document relating to any Covered Bonds may be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Law and Article 34-*ter*, paragraph 1 (b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended from time to time ("**Regulation no. 11971**") ; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Law and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and the Consolidated Banking Act; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### ***Republic of Ireland***

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) it has not offered or sold and will not offer or sell any Covered Bonds except in conformity with the provisions of the Prospectus Regulation and, where applicable, the provisions of the Irish Companies Acts 2014 and every other enactment that is to be read together with any of those

Acts;

- (b) in respect of Covered Bonds issued by Crédit Agricole Italia which are not listed on a stock exchange and which do not mature within two years its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction, it will not knowingly offer to sell such Covered Bonds to an Irish resident, or to persons whose usual place of abode is Ireland, and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Covered Bonds. In addition, such Covered Bonds must be cleared through Euroclear, Clearstream, Luxembourg, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners) and have a minimum denomination of £300,000 or its equivalent at the date of issuance;
- (c) in respect of Covered Bonds issued by Crédit Agricole Italia which are not listed on a stock exchange and which mature within two years, such Covered Bonds must have a minimum denomination of €500,000 or US\$500,000 or, in the case of Covered Bond which are denominated in a currency other than euro or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this Programme). In addition, such Covered Bonds must be cleared through Euroclear, Clearstream, Luxembourg or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners);
- (d) it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of Covered Bonds to persons who are persons to whom the document may otherwise lawfully be issued or passed on;
- (e) it has complied and will comply with all applicable provisions of S.I. No. 60 of 2007, the European Communities (Markets in Financial Instruments) Regulations 2007 and the provisions of the Investor Compensation Act 1998, with respect to anything done by it in relation to the Covered Bonds or operating in, or otherwise involving, Ireland is acting under and within the terms of an authorisation to do so for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 and it has complied with any applicable codes of conduct or practice made pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction;
- (f) it has not offered or sold or will not offer or sell any Covered Bonds other than in compliance with the provisions of the Central Bank Acts 1942–2013 (as amended) and any codes of conduct rules made thereunder; and
- (g) it has not offered or sold or will not offer or sell any Covered Bonds other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under the Irish Companies Act 2014 by the Central Bank of Ireland.

## **General**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Covered Bonds or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with

all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Covered Bonds or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Covered Bonds) or in a supplement to this Base Prospectus.



## GENERAL INFORMATION

### **Listing, Admission to Trading and Approval**

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Regulation by the *Commission de Surveillance du Secteur Financier* ("CSSF") in its capacity as competent authority in the Grand Duchy of Luxembourg for the purposes of the Prospectus Regulation. Application has also been made for Covered Bonds issued under the Programme during the period of 12 (twelve) months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU. As referred to in Article 6(4) of the Luxembourg law on prospectuses for securities of 16 July 2019, by approving this Base Prospectus the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer.

However, Covered Bonds may be issued pursuant to the Programme which will be unlisted or be admitted to listing, trading and/or quotation by such other competent authority, stock exchange or quotation system as the Issuer and the relevant Dealer(s) may agree.

The CSSF may, at the request of the Issuer, send to the competent authority of another Member State of the European Economic Area: (i) a copy of this Base Prospectus and (ii) a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

### **Authorisations**

The establishment of the Programme has been duly authorised by a resolution of the management board of the Issuer dated 26 March 2013, the giving of the Covered Bond Guarantee has been duly authorised by the resolutions of the board of directors of the Guarantor dated 14 May 2013 and the establishment of the Programme has been duly authorised by the resolutions of the board of directors of the Guarantor dated 14 May 2013. The update of the Programme has been duly authorised by the resolution of the board of directors of the Issuer dated 4 December 2020.

### **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12-months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer, the Guarantor or their respective Subsidiaries.

### **Trend Information**

Since 31 December 2019, there has been no material adverse change in the prospects of Crédit Agricole Italia and the Crédit Agricole Italia Banking Group.

Since 31 December 2019, there has been no material adverse change in the prospects of the Guarantor.

### **No Significant Change**

There has been no significant change in the financial performance of Crédit Agricole Italia and Crédit Agricole Italia Banking Group since 30 June 2020, and there has been no significant change in the financial or trading position of Crédit Agricole Italia and Crédit Agricole Italia Banking Group since 30 June 2020. As of December 31, 2020, in agreement with the Parent Company Crédit Agricole SA, it has been written off goodwill for a total of Euro 260 million. The impairment, whose effects are limited to

mere accounting aspects, has no effect on forward-looking profitability, cash flows, liquidity nor on the capital ratios.

There has been no significant change in the financial performance of Crédit Agricole Italia OBG S.r.l. since 31 December 2019, and there has been no significant change in the financial or trading position of Crédit Agricole Italia OBG S.r.l. since 31 December 2019.

### **Minimum Denomination**

Where Covered Bonds issued under the Programme are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a base prospectus under the Prospectus Regulation, such Covered Bonds will not have a denomination of less than Euro 100,000 (or, where the Covered Bonds are issued in a currency other than Euro, the equivalent amount in such other currency).

### **Documents on Display**

So long as Covered Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available (in English translation, where necessary) free of charge during usual business hours on any weekday (except for Saturdays, Sundays and public holidays) for inspection at the registered office of the Issuer.

### **Documents available for inspection**

For so long as the Programme remains in effect or any Covered Bonds shall be outstanding and admitted to trading on the regulated market of the Luxembourg Stock Exchange, and in any case for at least 10 (ten) years after the relevant publication, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Luxembourg Listing Agent, namely:

- (i) the Transaction Documents, of which only the Covered Bond Guarantee is available at [https://static.credit-agricole.it/credit-agricole-it/system/rich/rich\\_files/rich\\_files/000/002/235/original/covered-20bond-20guarantee.pdf](https://static.credit-agricole.it/credit-agricole-it/system/rich/rich_files/rich_files/000/002/235/original/covered-20bond-20guarantee.pdf);
- (ii) the Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iii) the Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;
- (iv) the Issuer's audited consolidated annual financial statements in respect of the years ended on 31 December 2018 and 31 December 2019;
- (v) the Issuer's consolidated results as at 30 June 2020;
- (vi) the Guarantor's audited annual financial statements, together with relevant Independent Auditor's reports and Directors of the Guarantor's report on operations, in respect of the years ended on 31 December 2018 and 31 December 2019;
- (vii) the press release of the Issuer dated 1 March 2021 and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*";
- (viii) the press release of the Issuer dated 19 February 2021 and headed "*Creval VTO - Notice pursuant to art. 41, § 2, let. c), of Issuers' Regulation*";

- (ix) the press release of the Issuer dated 15 February 2021 and headed “*Creval Vto – Golden Power Condition Precedent*”;
- (x) the press release of the Issuer dated 11 February 2021 and headed “*Crédit Agricole Italia Banking Group: Results as at 31 December 2020*”;
- (xi) the press release of the Issuer dated 5 February 2021 and headed “*Creval Vto – Antitrust Condition Precedent*”;
- (xii) the press release of the Issuer dated 18 January 2021 and headed “*Voluntary public tender offer of Crédit Agricole Italia S.p.A. on the shares of Banca Piccolo Credito Valtellinese S.p.A. – Press release under art. 41, par. 2, let. c), of the Regulation approved by Consob with resolution no. 11971 of 14 May 1999 (“Consob Regulation”)*”;
- (xiii) the press release of the Issuer dated 11 December 2020 and headed “*Voluntary tender offer launched by Crédit Agricole Italia S.p.A. on all the shares of Credito Valtellinese S.p.A.*”;
- (xiv) the press release of the Issuer dated 23 November 2020 and headed “*Notice pursuant to Articles 102, paragraph 1, of the Legislative Decree of 24 February 1998, no. 58, and 37 of the Consob Regulation of 14 May 1999, no.11971 (“Notice”)*”;
- (xv) the press release of the Issuer dated 23 November 2020 and headed “*Crédit Agricole Italia launches a cash voluntary public tender offer for all shares of Credito Valtellinese*”;
- (xvi) a copy of this Base Prospectus together with any supplement thereto, if any, or further Base Prospectus;
- (xvii) a copy of the terms and conditions and the rules of the organisation of the covered bondholder set out under base prospectus approved on 26 March 2020;
- (xviii) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Copies of all such documents shall also be available to Covered Bondholders at the Specified Office of the Representative of the Covered Bondholders, and at the following website <https://gruppo.credit-agricole.it/>.

It being understood that this Base Prospectus, any supplement to this Base Prospectus, Final Terms and documents incorporated by reference shall remain publicly available in electronic form for at least 10 (ten) years after the relevant publication.

#### **Independent auditors**

EY S.p.A. is the independent auditor of the Issuer and is registered in the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 70945 and in the Register of Accountancy Auditors (Registro dei Revisori Contabili), in compliance with the provisions of Decree No. 39/2010. EY S.p.A. is also a member of Assirevi, the Italian association of auditing firms. EY S.p.A. has audited and issued unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2019. The convenience translation into English of the original in Italian language of such financial statements, together with the convenience

translation into English of the original in Italian language of their respective auditors' reports are incorporated by reference into this Base Prospectus (see Section "*Information incorporated by reference*").

EY S.p.A. is the independent auditor of the Guarantor for the period 2019 - 2021. The registered office of EY S.p.A. is at Via Lombardia 31, 00187 Rome, Italy.

### **Material Contracts**

Save for the Transaction Documents described under section "Overview of the Transaction Documents" on pages from 198 to 213 of this Base Prospectus, neither the Issuer nor the Guarantor nor any of their respective subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may be reasonably expected to be material to their ability to meet their obligations to Covered Bondholders.

### **Clearing of the Covered Bonds**

The Covered Bonds have been accepted for clearance through Monte Titoli, Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Covered Bonds of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Covered Bonds for clearance together with any further appropriate information.

### **Websites**

The information on the websites does not form part of the prospectus and has not been scrutinised or approved by the competent authority except websites related to the documents incorporated by reference.

## GLOSSARY

"**Acceptance**" means the notice sent by the Guarantor to the Subordinated Lender, pursuant to clause 4.2 (*Accettazione*) of the Subordinated Loan Agreement, substantially in the form set out in schedule 2 (*Accettazione*) to each Subordinated Loan Agreement.

"**Accounts**" means the CA Italia Collection Accounts, the CA Friuladria Collection Accounts, the Expenses Account, the Guarantor Payments Account, the Quota Capital Account, the Securities Accounts and the Reserve Fund Account and any other account opened in the context of the Programme, excluding any account opened in relation to the deposit of the amounts due under the Swap Agreements.

"**Account Bank**" means CA Italia, in its capacity as account bank, or any other depository institution that may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report**" means the report to be delivered by the Account Bank in accordance with the provisions set forth under the Cash Allocation, Management and Payments Agreement.

"**Account Bank Report Date**" means the date falling on the 10<sup>th</sup> Business Day of each month.

"**Account Mandates**" means the resolutions, instructions and signature authorities relating to each of the Accounts, given in accordance with clause 4 (*Account Mandates*) of the Cash Allocation, Management and Payments 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 Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

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

"**Agents**" means each of the Italian Account Bank, the Calculation Agent, the Cash Manager, the Principal Paying Agent and the Guarantor Corporate Servicer, and any other paying agent acceding to the Cash Allocation Management and Payments Agreement.

"**Amortisation Test**" means the tests which will be carried out pursuant to clause 3 (*Amortisation Test*) of the Cover Pool Management Agreement in order to ensure, *inter alia*, that, on each Calculation Date following the delivery of an Issuer Default Notice (but prior to the service of a Guarantor Default Notice), the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the principal amount of the issued Covered Bonds as calculated on the relevant Calculation Date.

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

"**Amortisation Test Outstanding Principal Balance**" the meaning ascribed to such term in clause 3.2 (*Amortisation Test Aggregate Loan Amount*) of the Cover Pool Management Agreement.

"**Arranger**" means Credit Agricole Corporate and Investment Bank.

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

**"Article 74 Event Cure Notice"** has the meaning ascribed to such term in the Conditions.

**"Asset Monitor"** means BDO Italia S.p.A., acting in its capacity as asset monitor, or any other entity that may be appointed as such pursuant to the Asset Monitor Agreement.

**"Asset Monitor Agreement"** means the asset monitor agreement entered into on 11 July 2013 between, *inter alios*, the Asset Monitor and the Issuer, as amended and supplemented from time to time.

**"Asset Monitor Report Date"** has the meaning ascribed to such term in clause 1.2 (*Other Definitions*) of the Asset Monitor Agreement.

**"Asset Percentage"** has the meaning ascribed to such expression under clause 2.3.2 (*Asset Percentage*) of the Cover Pool Management Agreement.

**"Asset Swap Agreements"** means any asset swap agreement that may be entered into between the Guarantor and each Asset Swap Provider.

**"Asset Swap Provider"** means any entity acting as asset swap provider pursuant to the relevant Asset Swap Agreement.

**"Authorised Signatory"** means, in relation to each Seller or any other person, any person who is duly authorised and in respect of whom the Guarantor has received a certificate signed by a director or another Authorised Signatory of a Seller or such other person setting out the name and signature of such person and confirming such person's authority to act.

**"Availability Period"** means the period starting on date of the signing of the relevant Subordinated Loan Agreement and ending on the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the respective Final Terms.

**"Bank of Italy Regulations"** means the supervisory instructions of the Bank of Italy relating to covered bonds (*Obbligazioni Bancarie Garantite*) under Part III, Chapter 3, of the Circular No. 285 dated 17 December 2013, as subsequently amended and supplemented, containing the *"Disposizioni di vigilanza per le banche"*.

**"Bankruptcy Law"** means Royal Decree No. 267 of 16 March 1942 as amended from time to time.

**"Base Prospectus"** or **"Prospectus"** means the Base Prospectus prepared in connection with the issue of the Covered Bonds and the establishment and any update of the Programme, as supplemented from time to time.

**"Beneficiaries"** means the Covered Bondholders and the Other Issuer's Creditors as beneficiaries of the Covered Bond Guarantee.

**"Business Day"** (*Giorno Lavorativo*) means any day on which commercial banks are open for business in Parma, Milan and Luxembourg and in which the "Trans-European Automated Real Time Gross Transfer System" (TARGET2) or the substitutive system.

**"CA Friuladria Collection Accounts"** means jointly the CA Friuladria Interest Collection Account and the CA Friuladria Principal Collection Account.

" **CA Friuladria Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT55T0623012700000037030942, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**CA Friuladria Portfolios**" means the Initial CA Friuladria Portfolio and each New CA Friuladria Portfolio.

"CA Friuladria **Principal Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT58R0623012700000037030841, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**CA Italia Collection Accounts**" means jointly the CA Italia Interest Collection Account and the CA Italia Principal Collection Account.

"**CA Italia Interest Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT61P0623012700000037030740, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**CA Italia Portfolios**" means the Initial CA Italia Portfolio and each New CA Italia Portfolio.

"**CA Italia Portfolio Test and CA Friuladria Portfolio Test**" means the Test that will be carried out by the Calculation Agent on each Calculation Date, following the same procedures of the Test performed on the Cover Pool pursuant to clause 2.2.1 of the Cover Pool Management Agreement, in relation to, respectively, CA Italia Portfolios and CA Friuladria Portfolios.

"**CA Italia Principal Collection Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT96V0623012700000037030639, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Calculation Agent**" means Crédit Agricole Corporate and Investment Bank, Milan Branch, acting as calculation agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Amount**" has the meaning given in the relevant Final Terms.

"**Calculation Date**" means (i) the date falling on the 7th Business Day following each Master Servicer Quarterly Report Date, or (ii) in respect of the Statutory Test Verification and the Amortisation Test Verification, any other date on which such verifications are made pursuant to clause 4.3 of the Asset Monitor Agreement.

"**Calculation Period**" means each monthly period starting on a Calculation Date (included) and ending on the following Calculation Date (excluded).

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on 11 July 2013 between, *inter alios*, the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Calculation Agent and the Account Bank, as amended and supplemented from time to time.

"**Cash Manager**" means Crédit Agricole Italia S.p.A., acting as cash manager or any other institution

that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Civil Code**" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942.

"**Clearstream**" means Clearstream Banking, société anonyme, Luxembourg.

"**Code of Civil Procedure**" means the Italian code of civil procedure, enacted by Royal Decree No. 1443 of 28 October 1940.

"**Collateral Security**" means any security (including any loan mortgage insurance in respect of the Mortgage Loan and excluding Mortgages) granted to any Seller by any Debtor in order to guarantee or secure the payment and/or repayment of any amounts due under the relevant Mortgages Loan Agreements.

"**Collection Accounts**" means, collectively, the CA Italia Collection Accounts and the CA Friuladria Collection Accounts.

"**Collections**" means all amounts received or recovered by the Master Servicer and/or the Sub-Servicer in respect of the assets comprised in the Cover Pool.

"**Collection Date**" means the date falling on the last calendar day of March, June, September and December of each year. The first Collection Date falls on 31 December 2013.

"**Collection Period**" means each period, commencing on (and excluding) a Collection Date and ending on (but including) the immediately following Collection Date, and, in respect of the first Collection Period, the period from (and including) the Transfer Date of the transfer of the Initial Portfolio to (and including) the next following Collection Date.

"**Commingling Amount**" means an amount calculated quarterly by the Issuer (or the Master Servicer, as the case may be) equal to the expected aggregate amount of principal monthly collections and recoveries calculated in respect of the next following 1 month and considering a 5% constant prepayment ratio per annum, or any other higher amount designated as such by the Issuer (or the Master Servicer, as the case may be) and notified to the Rating Agency.

"**Commission Regulation No. 809/2004**" means the Commission Regulation (EC) No. 809/2004 of 29 April 2004, implementing the Prospectus Directive, as supplemented and amended from time to time.

"**Common Criteria**" means the criteria listed in schedule 2 (*Criteria Comuni per la selezione ed identificazione dei Crediti*) to the each Master Loans Purchase Agreement.

"**Conditions**" means the terms and conditions of the Covered Bonds and "**Condition**" means a clause of them.

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

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

"**Corporate Services Agreement**" means the corporate services agreement entered in on 20 May 2013, between the Guarantor and the Guarantor Corporate Servicer, as amended and supplemented from time to time;

"**Cover Pool**" means the cover pool constituted by assets held by the Guarantor in accordance with



the provisions of the Securitisation and Covered Bond Law, the Decree No. 310 and the Bank of Italy Regulations.

**"Cover Pool Management Agreement"** means the cover pool management agreement entered into, on 11 July 2013 between, *inter alios*, the Issuer, the Guarantor, the Seller, the Calculation Agent, the Asset Monitor and the Representative of the Covered Bondholders, as amended and supplemented from time to time.

**"Covered Bonds"** means any and all the covered bonds (*obbligazioni bancarie garantite*) issued or to be issued by the Issuer pursuant to the terms and subject to the conditions of the Programme Agreement.

**"Covered Bond Guarantee"** means the guarantee issued by the Guarantor for the purpose of guaranteeing the payments due by the Issuer to the Covered Bondholders and the Other Issuer's Creditors, in accordance with the provisions of the Securitisation and Covered Bond Law, Decree No. 310 and the Bank of Italy Regulations.

**"Covered Bond Calculation Agent"** means the Principal Paying Agent or such other Person as may be specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms (including any successor Covered Bond calculation agent appointed);

**"Covered Bondholders"** means the holders from time to time of the Covered Bonds;

**"CRR"** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended and supplemented from time to time.

**"Crédit Agricole Italia"** means Crédit Agricole Italia S.p.A. in its capacity as Issuer under the Programme.

**"Crédit Agricole Italia Banking Group"** means a banking group whose structure includes CA Italia as parent company and, as the date hereof and CA Friuladria.

**"Crédit Agricole Group"** means a banking group whose structure includes Crédit Agricole S.A. as parent company.

**"Credit and Collection Policy"** means the procedures for the management, collection and recovery of Receivables attached as Schedule 1 (*Procedura di Riscossione*) to the Master Servicing Agreement.

**"Criteria"** means, collectively, the Common Criteria, the Specific Criteria and any Further Criteria.

**"Dealers"** means Crédit Agricole Corporate & Investment Bank, a bank incorporated under the laws of France having its registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex(France), enrolment with the companies register of Nanterre (*Registre Commerciale et des Sociétés de Nanterre*) under no. Siren 304 187 701, and any other entity which may be nominated as such by the Issuer upon execution of a letter in the terms or substantially in the terms set out in schedule 6 (Form of Dealer Accession Letter) to the Programme Agreement.

**"Debtor"** means any borrower and any other person, other than a Mortgagor, who entered into a Mortgage Loan Agreement as principal debtor or guarantor or who is liable for the payment or repayment of amounts due in respect of a Mortgage Loan, as a consequence, *inter alia*, of having

granted any Collateral Security or having assumed the borrower's obligation pursuant to a Mortgage Loan Agreement under an *accollo*, or otherwise.

"**Decree No. 239**" means Italian Legislative Decree number 239 of 1 April 1996;

"**Decree No. 310**" means the ministerial decree No. 310 of 14 December 2006 issued by the Ministry of the Economy and Finance.

"**Decree 461**" means the Legislative Decree number 461 of 21 November 1997, as amended from time to time.

"**Deed of Charge**" means the English law deed of charge that may be entered into between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors).

"**Deed of Pledge**" means the Italian law deed of pledge entered into, on 11 July 2013, between the Guarantor and the Representative of the Covered Bondholders (acting on behalf of the Covered Bondholders and the Other Creditors), as amended and supplemented from time to time.

"**Defaulted Loans**" means any Mortgage Loan in relation to which there are 1 (one) or more Defaulted Receivables.

"**Defaulted Receivable**" means any Receivable arising from Mortgage Loan Agreements included in the Cover Pool which has been classified as "*attività finanziarie deteriorate*" pursuant to the Circular of the Bank of Italy No. 272 of 30 July 2008 containing the "Matrice dei Conti", as subsequently amended and supplemented and the Credit and Collection Policy.

"**Defaulting Party**" has the meaning ascribed to that term in the relevant Swap Agreement.

"**Delinquent Loan**" means any Mortgage Loan in relation to which there are 1 (one) or more Delinquent Receivables.

"**Delinquent Receivable**" any Receivable arising from Mortgage Loan Agreements included in the Cover Pool in respect of which there are 1 (one) or more Instalments due and not paid by the relevant Debtor and which has not been classified as Defaulted Receivable.

"**Determination Date**" has the meaning given to it in the applicable Final Terms.

"**Documentation**" means any documentation relating to the Receivables comprised in the Cover Pool.

"**Drawdown Date**" means the date on which a Term Loan is advanced under the relevant Subordinated Loan Agreement during the Availability Period.

"**Earliest Maturing Covered Bonds**" means, at any time, the Series of Covered Bonds that has or have the earliest Maturity Date (if the relevant Series of Covered Bonds is not subject to an Extended Maturity Date) or Extended Maturity Date (if the relevant Series of Covered Bonds is subject to an Extended Maturity Date) as specified in the relevant Final Terms.

"**Early Redemption Amount (Tax)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series;

"**Early Termination Amount**" means, in respect of any Series of Covered Bonds, the principal amount of such Series;

"**Eligible Assets**" means the following assets contemplated under article 2, sub-paragraph 1, of

Decree No. 310:

- (i) the Residential Mortgage Loans;
- (ii) the Public Entity Receivables; and
- (iii) the Public Entity Securities.

**"Eligible Cover Pool"** means the aggregate amount of Eligible Assets and Top-up Assets (including any sum standing to the credit of the Accounts) included in the Cover Pool provided that (i) any Defaulted Receivable and those Eligible Assets and Top-up Assets for which a breach of the representations and warranties granted under each Warranty and Indemnity Agreement has occurred and has not been remedied will not be considered for the purpose of the calculation and (ii) any Mortgage Loan in respect of which the LTV on the basis of the Latest Valuation exceed the percentage limit set forth under Article 2, para. 1, of the Decree No. 310, will be calculated up to an amount of principal which – taking into account the market value of the relevant Real Estate Asset – allows the compliance with such percentage limit.

**"Eligible Institution"** means any bank organised under the laws of any country which is a member of the European Union or of the United States (to the extent that United States are a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach)

- (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least "Baa3" by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time), or
- (ii) which is guaranteed (in compliance with the relevant criteria of Moody's on the guarantee) by an entity whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "Baa3" by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time),

*provided however that* any such bank qualifies for the "credit quality step 1" pursuant to Article 129, let. (c) of the CRR unless (a) it is an entity in the European Union and (b) the exposure *vis-à-vis* such entity has a maturity not exceeding 100 days, because in such case it may qualify for "credit quality step 2" pursuant to Article 129, let (c) of the CRR.

**"Eligible Investment"** means any Eligible Assets or Top-up Assets consisting of Euro denominated securities, reserve accounts, deposit accounts or other similar accounts that provide direct liquidity and/or credit enhancement which have at least the following ratings:

- (a) with respect to investments having a maturity not exceeding 30 calendar days, "Baa3" or "P-3" by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time);
- (b) with respect to investments having a maturity higher than 30 calendar days but not exceeding 90 calendar days, "Baa3" or "P-3" by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time); or
- (c) with respect to investments having a maturity higher than 90 calendar days but not exceeding 180 calendar days, "Baa2" or "P-2" by Moody's (or such other rating which may be compliant with the criteria of Moody's from time to time), in each case provided that any such investments,

in each case provided that any such investments (i) have a maturity date falling on or before the Eligible Investments Maturity Date; (ii) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; (iii) in the event of downgrade below the rating allowed under this definition, the securities shall be sold, if it could be achieved without a loss, or otherwise shall be allowed to mature and (iv) the relevant exposure qualifies for the "credit quality step 1" pursuant to Article 129, let. (c) of the CRR or, in case of exposure *vis-à-vis* an entity in the European Union which has a maturity not exceeding 100 days, it may qualify for "credit quality step 2" pursuant to Article 129, let (c) of the CRR.

**"Eligible Investments Maturity Date"** means, with reference to each Eligible Investment, the earlier of (i) the maturity date of such Eligible Investment, and (ii) the date falling 2 (two) Business Days prior to the immediately following Guarantor Payment Date.

**"Eonia"** means the euro overnight index average (EONIA) as calculated and published by the European Central Bank.

**"EU Insolvency Regulation"** means Council Regulation (EC) No. 1346/2000 of 29 May 2000, as amended from time to time.

**"EU Stabilisation Regulation"** means Council Regulation (EC) No. 2273/2003 of 22 December 2003, as amended from time to time.

**"EU Directive on the Reorganisation and Winding up of Credit Institutions"** means Directive 2001/2/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions, as amended from time to time.

**"EURIBOR"** means (i) the Euro-Zone Inter-Bank offered rate for Euro deposits, as determined from time to time pursuant to the Transaction Documents, or (ii) if such rate is unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 6 (j) (*Fallback Provisions*).

**"Euro", "€" and "EUR"** refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the treaty establishing the European Community.

**"Euroclear"** means Euroclear Bank S.A./N.V., with offices at 1 Boulevard du Roi Albert II, B-1210 Bruxelles;

**"European Economic Area"** means the region comprised of member states of the European Union which adopt the Euro in accordance with the Treaty.

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

**"Expenses Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT38S0623012700000037051352, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and

Payments Agreement.

**"Expiry Date"** means the date falling 1 (one) year and 1 (one) day after the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their terms and conditions.

**"Extended Maturity Date"** means the date on which final redemption payments in relation to a specific Series of Covered Bonds becomes due and payable pursuant to the extension of the relevant Maturity Date in accordance with the relevant Final Terms.

**"Extraordinary Resolution"** has the meaning ascribed to such term in the Rules of Organisation of the Covered Bondholders.

**"Facility"** means the facility to be granted by each Subordinated Lender pursuant to the terms of Clause 2 (*Il Finanziamento*) of the relevant Subordinated Loan Agreement.

**"Final Maturity Date"** means the date on which all the Series of Covered Bond are redeemed in full or cancelled.

**"Final Redemption Amount"** means, in respect of any Series of Covered Bonds, the principal amount of such Series.

**"Final Terms"** means, in relation to any issue of any Series of Covered Bonds, the relevant terms contained in the applicable Transaction Documents and, in case of any Series of Covered Bonds to be admitted to listing, the final terms submitted to the appropriate listing authority on or before the Issue Date of the applicable Series of Covered Bonds.

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

**"First Interest Period"** means, in relation to any Term Loan, the period starting on the relevant Drawdown Date and ending on the first Guarantor Payment Date.

**"First Issue Date"** means the date of issuance of the first Series of Covered Bonds.

**"Further Criteria"** means the criteria identified in accordance with clause 2.4.3 (*Criteria Ulteriori*) of each Master Loans Purchase Agreement.

**"Guaranteed Amounts"** means the amounts due from time to time from the Issuer to (i) the Covered Bondholders with respect to each Series of Covered Bonds (excluding any additional amounts payable to the Covered Bondholders under Condition 9(a) (*Gross-up by the Issuer*)) and (ii) the Other Issuer Creditors pursuant to the relevant Transaction Documents.

**"Guaranteed Obligations"** means the Issuer's payments obligations with respect to the Guaranteed Amounts.

**"Guarantee Priority of Payments"** means the order of priority pursuant to which the Guarantor Available Funds shall be applied, on each Guarantor Payment Date following the delivery of an Issuer Default Notice, but prior to the delivery of a Guarantor Default Notice, in accordance with the terms of the Intercreditor Agreement.

**"Guarantor"** means Crédit Agricole Italia OBG S.r.l., acting in its capacity as guarantor pursuant to the Covered Bond Guarantee.

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

Available Funds.

**"Guarantor Corporate Servicer"** means Zenith Service S.p.A., acting in its capacity as corporate servicer of the Guarantor pursuant to the Corporate Services Agreement.

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

**"Guarantor Event of Default"** means any of the following events or circumstances:

- (i) *Non payment:* following the delivery of an Issuer Default Notice, the Guarantor fails to pay any interest and/or principal due and payable under the Covered Bond Guarantee and either breach is not remedied within the next following 15 (fifteen) Business Days, in case of amounts of interests, or 20 (twenty) Business Days, in case of amounts of principal, as the case may be; or
- (ii) *Insolvency:* an Insolvency Event occurs with respect to the Guarantor; or
- (iii) *Breach of other obligation:* a serious material breach of any obligation under the Transaction Documents by the Guarantor occurs which is not remedied within 30 (thirty) days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor; or
- (iv) *Breach of Amortisation Test:* following the service of an Issuer Default Notice (provided that, in case the Issuer Event of Default consists of an Article 74 Event, the Representative of the Covered Bondholders has not delivered an Article 74 Event Cure Notice), the Amortisation Test is breached and is not remedied within the Test Grace Period; or
- (v) *Invalidity of the Covered Bond Guarantee:* the Covered Bond Guarantee is not in full force and effect or it is claimed by the Guarantor not to be in full force and effect.

**"Guarantor Payment Date"** (*Data di Pagamento del Garante*) means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 10<sup>th</sup> day of February, May, August and November of each year or, if such day is not a Business Day, the immediately following Business Day, provided that the first Guarantor Payment Date will be 10 February 2014; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Covered Bondholders in accordance with the Post-Enforcement Priority of Payments, the relevant Final Terms and the Intercreditor Agreement.

**"Guarantor Payment Period"** means the period commencing on (and including) a Guarantor Payment Date and ending on (but excluding) the immediately following Guarantor Payment Date, and, in respect of the first Guarantor Payment Date, the period from (and including) the Transfer Date of the Initial Portfolio to (but excluding) the next following Guarantor Payment Date.

**"Guarantor Payment Period"** has the meaning ascribed to such term in the Intercreditor Agreement.

**"Guarantor Payments Account"** means the euro denominated account established in the name of the Guarantor and held with the Account Bank, IBAN IT0200623012700000037031245, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Guarantor's Rights"** means the Guarantor's rights under the Transaction Documents.

"IFRS" means the International Financial Reporting and Accounting Standards issued by the International Accounting Standard Board (IASB).

"Individual Purchase Price" means, with respect to each Receivable transferred pursuant to the Master Loans Purchase Agreements: (i) the *Ultimo Valore di Iscrizione in Bilancio* of the relevant Receivable minus all principal and interest collections (with respect only to the amounts of interest which constitute the *Ultimo Valore di Iscrizione in Bilancio*) received by the Seller with respect to the relevant Receivables from the date of the most recent financial statements of the Seller up to the relevant Transfer Date (included) and increased of the amount of interest accrued and not yet collected on such Receivables during the same period; or, at the option of the relevant Seller (ii) such other value, as indicated by the relevant Seller in the Transfer Notice, as will allow the Seller to consider each duty or tax due as if the relevant Receivables had not been transferred for the purpose of article 7-bis, sub-paragraph 7, of the Securitisation and Covered Bond Law.

"Initial CA Friuladria Portfolio" means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from CA Friuladria pursuant to the relevant Master Loans Purchase Agreement.

"Initial CA Italia Portfolio" means the initial portfolio of Receivables, comprising Eligible Assets, purchased by the Guarantor from Crédit Agricole Italia pursuant to the relevant Master Loans Purchase Agreement.

"Initial Portfolio" means the Initial CA Italia Portfolio or the Initial CA Friuladria Portfolio as the case may be

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

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

- of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or
- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company, entity or corporation (except in any such case a winding-up, corporate reorganization or other proceeding for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Covered Bondholders); or
- (v) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

**"Insolvency Official"** means the official receiver appointed in the context of any insolvency procedure which may be opened following the occurrence of an Insolvency Event.

**"Instalment"** means with respect to each Mortgage Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

**"Insurance Companies"** means the companies with whom the Insurance Policies are held.

**"Insurance Policies"** means the insurance policies taken out with the Insurance Companies in relation to each Real Estate Asset and each Mortgage Loan.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on 11 July 2013 between, *inter alios*, the Guarantor and the Other Creditors, as amended and supplemented from time to time.

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

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

- (a) interest collected by the Master Servicer or the Sub Servicer in respect of the Cover Pool (other than the interests due and taken into account for the purpose of the Individual Purchase Price of each Receivable) and credited into the Interest Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (b) all recoveries in the nature of interest and fees received by the Master Servicer or the Sub-Servicer and credited to the Interest Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (c) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the Collection Period preceding the relevant Calculation Date;
- (d) any payment received on or immediately prior to such Guarantor Payment Date from any Swap Provider other than any Swap Collateral Excluded Amounts;



- (e) all interest amounts received from any Seller by the Guarantor pursuant to the relevant Master Loans Purchase Agreement;
- (f) (a) prior to the delivery of an Issuer Default Notice, an amount equal to the Release Reserve Amount or (b) after the delivery of an Issuer Default Notice, the Reserve Fund Amount, standing to the credit of the Reserve Fund Account;
- (g) all amounts on account of interest, premium or other profit deriving from the Eligible Investments up to the Eligible Investments Maturity Date immediately preceding the relevant Guarantor Payment Date; and
- (h) any amounts (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Transaction Documents.

**"Interest Collections"** means all the collections, other than the Principal Collections, realised in respect of Eligible Assets and Top-Up Assets transferred to the Guarantor.

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

**"Interest Coverage Test"** has the meaning ascribed to such term in clause 2.5 (*Interest Coverage Test*) of the Cover Pool Management Agreement.

**"Interest Collection Accounts"** means jointly the CA Italia Interest Collection Account and the CA Friuladria Interest Collection Account.

**"Interest Determination Date"** has the meaning given in the relevant Final Terms.

**"Interest Payment Date"** has the meaning ascribed to such term in the Conditions.

**"Investor Report Date"** means the date falling on the 7th Business Day following each Master Servicer Report Date.

**"Investor Report"** has the meaning ascribed to such expression in the Cash Management and Agency Agreement.

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

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

**"Issue Date"** has the meaning ascribed to such term, with respect to each Series of Covered Bonds, in the relevant Final Terms.

**"Issuer"** means Crédit Agricole Italia, acting in its capacity as issuer pursuant to the Programme Agreement.

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

**"Issuer Event of Default"** means any of the following events and circumstances:

- (i). *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and

payable on any Series of Covered Bonds at their relevant Interest Payment Date and such breach is not remedied within the next 15 (fifteen) Business Days, in case of amounts of interest, or 20 (twenty) Business Days, in case of amounts of principal, as the case may be; or

- (ii). *Breach of other obligation*: a material breach of any obligation under the Transaction Documents by the Issuer occurs which is not remedied within 30 (thirty) days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer; or
- (iii). *Cross-default*: any of the events described in paragraphs (i) to (ii) above occurs in respect of any other Series of Covered Bonds; or
- (iv). *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (v). *Article 74 resolution*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or
- (vi). *Cessation of business*: the Issuer ceases to carry on its primary business; or
- (vii). *Breach of Tests*: the Tests are breached and are not remedied within the Test Grace Period.

**"Latest Valuation"** means, at any time with respect to any Real Estate Asset, the value given to the relevant Real Estate Asset by the most recent valuation (to be performed in accordance with the requirements provided for under the Prudential Regulations) addressed to the Sellers or obtained from an independently maintained valuation model, acceptable to reasonable and prudent institutional mortgage lenders in Italy.

**"Liabilities"** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any VAT or similar tax charged or chargeable in respect of any sum referred in this definition.

**"Liability Swap Agreements"** means the swap agreements that may be entered into on or about each Issue Date between the Guarantor and a liability swap provider.

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

**"Listing Agent"** means CACEIS Bank Luxembourg.

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

**"Loan Event of Default"** means any of the events specified as such in clause 8 (*Eventi Rilevanti – Decadenza dal Beneficio del Termine*) of each Subordinated Loan Agreement.

**"Loan Interest Period"** means, in relation to any Term Loan: (i) the relevant First Interest Period; and thereafter (ii) each monthly period starting on a Guarantor Payment Date (excluded) and ending on the following Guarantor Payment Date (included).

**"LTV"** means, with respect to a Mortgage Loan, the Loan-to-Value ratio, determined as the ratio

between the value of a Real Estate Asset and the value of the relevant Mortgage Loan as calculated in accordance with the applicable Prudential Regulations.

**"Mandate Agreement"** means the mandate agreement entered into on 11 July 2013 between the Representative of the Covered Bondholders and the Guarantor, as amended and supplemented from time to time.

**"Master Definitions Agreement"** means the master definitions agreement entered into on 11 July 2013 between the Guarantor and the Other Creditors, as amended and supplemented from time to time.

**"Master Loans Purchase Agreement"** means each master loans purchase agreement entered into on 20 May 2013 between the Guarantor and each Seller, as amended and supplemented from time to time.

**"Master Servicer"** means Crédit Agricole Italia in its capacity as master servicer pursuant to the Master Servicing Agreement.

**"Master Servicer Monthly Report"** means the monthly report to be prepared in accordance with the provisions of the Master Servicing Agreement by the Master Servicer on each Master Servicer Monthly Report Date, containing details about Collections made during the relevant Collection Period, and delivered by the Master Servicer to, *inter alia*, the Guarantor and the Asset Monitor.

**"Master Servicer Monthly Report Date"** means, in case of breach of Tests pursuant to the Cover Pool Management Agreement, (a) prior to the delivery a Guarantor Default Notice, the date falling on the 10<sup>th</sup> (tenth) Business Day of each month, and (b) following the delivery of a Guarantor Default Notice, such date as may be indicated by the Representative of the Covered Bondholders.

**"Master Servicer Quarterly Report"** means the quarterly report to be prepared and delivered by the Master Servicer in accordance with the provisions of the Master Servicing Agreement, by each Master Servicer Quarterly Report Date, containing details in relation to Collections made during the relevant Collection Period, and delivered by the Master Servicer to, *inter alia*, the Guarantor and the Asset Monitor.

**"Master Servicer Quarterly Report Date"** means, starting from January 2014 (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 10<sup>th</sup> Business Day following each Collection Date, and (b) following the delivery of a Guarantor Default Notice, such date as may be indicated by the Representative of the Covered Bondholders

**"Master Servicer's Reports"** means, collectively, the Master Servicer Monthly Report and the Master Servicer Quarterly Report.

**"Master Servicer Termination Event"** means any of the events set out under clause 8.1.1 of each Master Servicing Agreement, which allows the Guarantor to terminate the Master Servicer's appointment and to appoint a Substitute Master Servicer pursuant to the Master Servicing Agreement.

**"Master Servicing Agreement"** means the master servicing agreement entered into on 20 May 2013 between the Guarantor, the Issuer and the Master Servicer, as amended and supplemented from time to time.

**"Maturity Date"** means each date on which final redemption payments for a Series of Covered

Bonds become due in accordance with the Final Terms but subject to it being extended to the Extended Maturity Date.

"**Maximum Guaranteed Amount**" has the meaning ascribed to such term in the Covered Bond Guarantee.

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Member State**" means a member State of the European Union.

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

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

"**Monte Titoli Mandate Agreement**" means the agreement entered into on or about the First Issue Date between the Issuer and Monte Titoli.

"**Mortgage Loan Agreement**" means any Residential Mortgage Loan Agreement out of which the Receivables arise.

"**Mortgage Loan**" means a Residential Mortgage Loan.

"**Mortgages**" means the mortgage security interests (*ipoteche*) created on the Real Estate Assets pursuant to Italian law in order to secure claims in respect of the Receivables.

"**Mortgagor**" means any person, either a borrower or a third party, who has granted a Mortgage in favour of a Seller to secure the payment or repayment of any amounts payable in respect of a Mortgage Loan, and/or his/her successor in interest.

"**Negative Carry Factor**" means "0" (zero) or such other percentage provided by the Issuer on behalf of the Guarantor and notified to the Representative of the Covered Bondholders, to the Master Servicer and to the Calculation Agent.

"**Net Present Value Test**" has the meaning ascribed to such term in clause 2.2.2 (*Net Present Value Test*) of the Cover Pool Management Agreement.

"**Net Present Value**" has the meaning ascribed to such term in clause 2.4 (*Net Present Value Test*) of the Cover Pool Management Agreement.

"**New CA Italia Portfolio**" means any portfolio of Receivables (other than the Initial CA Italia Portfolio), comprising Eligible Assets and Top-Up Assets, which may be purchased by the Guarantor from Crédit Agricole Italia pursuant to the terms and subject to the conditions of the relevant Master Loans Purchase Agreement.

"**New CA Friuladria Portfolio**" means any portfolio of Receivables (other than the Initial CA Friuladria Portfolio), comprising Eligible Assets and Top-Up Assets, which may be purchased by the Guarantor from CA Friuladria pursuant to the terms and subject to the conditions of the relevant Master Loans Purchase Agreement.

"**New Portfolio**" means a New CA Italia Portfolio or a New CA Friuladria Portfolio as the case may be.

"**Nominal Value**" has the meaning ascribed to such term in clause 2.3.1 (*Nominal Value*) of the Cover Pool Management Agreement.

"**Nominal Value Test**" has the meaning ascribed to such term in clause 2.2.1 of the Cover Pool Management Agreement.

"**Obligations**" means all the obligations of the Guarantor created by or arising under the Transaction Documents.

"**Offer Date**" means, with respect to each New Portfolio, the date falling 5 (five) Business Days prior to each Transfer Date, pursuant to clause 3.1 (*Offerta*) of the relevant Master Loans Purchase Agreement.

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

"**Optional Redemption Amount (Call)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series;

"**Optional Redemption Amount (Put)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

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

"**Other Creditors**" means the Issuer, the Seller, the Subordinated Lenders, the Master Servicer, the Sub-Servicer, the Representative of the Covered Bondholders, the Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Account Bank, the Cash Manager, the Asset Monitor, each Asset Swap Provider (if any), the Portfolio Manager (if any) and any other creditors which may, from time to time, be identified as such in the context of the Programme.

"**Other Issuer's Creditors**" means the Principal Paying Agent, any Liability Swap Provider, the Asset Monitor and any other Issuer's creditors which may, from time to time, be identified as such in the context of the Programme.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the sum of all (i) Principal Instalments due but unpaid at such date; and (ii) the Principal Instalments not yet due at such date.

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

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

Guarantor.

**"Outstanding Principal Balance"** means, on any date, in relation to a loan, a bond or any other asset included in the Cover Pool, the aggregate nominal principal amount outstanding of such loan, bond or asset at such date.

**"Paying Agent"** means the Principal Paying Agent and each other paying agent appointed from time to time under the terms of the Cash Allocation, Management and Payments Agreement.

**"Payments Report"** means the report to be prepared and delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement on the second Business Day prior to each Guarantor Payment Date with respect to the immediately preceding Collection Period.

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

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

**"Portfolio"** means, in respect of each Seller, collectively, the Initial Portfolios and any New Portfolio which has been purchased and will be purchased by the Guarantor pursuant to the relevant Master Loans Purchase Agreement.

**"Portfolio Manager"** means the entity appointed as such in accordance with clause 5.6 (*Portfolio Manager*) of the Cover Pool Management Agreement.

**"Post-Enforcement Priority of Payments"** means the order of priority pursuant to which the Guarantor Available Funds shall be applied on each Guarantor Payment Date following the delivery of a Guarantor Default Notice, in accordance with the Intercreditor Agreement.

**"Post Default Notice Report"** means the report setting out all the payments to be made on the following Guarantor Payment Date under the Post-Enforcement Priority of Payments which, following the occurrence of a Guarantor Event of Default and the delivery of a Guarantor Default Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

**"Potential Set-Off Amount"** means an amount, calculated quarterly by the Issuer as a percentage of the Cover Pool that the Issuer determines as potentially subject to set-off by the Debtors in compliance with the Rating Agency's criteria.

**"Pre-Issuer Event of Default Interest Priority of Payments"** means the order of priority pursuant to which the Interest Available Funds shall be applied on each Guarantor Payment Date prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

**"Pre-Issuer Event of Default Principal Priority of Payments"** means the order of priority pursuant to which the Principal Available Funds shall be applied on each Guarantor Payment Date prior to the delivery of an Issuer Default Notice in accordance with the Intercreditor Agreement.

**"Premium"** means the premium payable by the Guarantor to each Seller in accordance with the relevant Subordinated Loan Agreement, as determined thereunder.

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

- (a) all principal amounts (and any interest amount taken into account for the purpose of the Individual Purchase Price of each Receivable) collected by the Master Servicer or the Sub-Servicer in respect of the Cover Pool and credited to the Principal Collection Accounts net of the amounts applied to purchase Eligible Assets and Top-Up Assets during the Collection Period preceding the relevant Calculation Date;
- (b) all other recoveries in the nature of principal received by the Master Servicer or the Sub-Servicer and credited to the Principal Collection Accounts during the Collection Period preceding the relevant Calculation Date;
- (c) all principal amounts received from each Seller by the Guarantor pursuant to the relevant Master Loans Purchase Agreement;
- (d) the proceeds of any disposal of Eligible Assets and any disinvestment of Top-Up Assets;
- (e) where applicable, any swap principal payable under the Swap Agreements other than any Swap Collateral Excluded Amounts; and
- (f) all the amounts allocated pursuant to item Sixth of the Pre-Issuer Event of Default Interest Priority of Payments.

**"Principal Collections"** means all the principal collections realised in respect of Eligible Assets and Top-Up Assets transferred to the Guarantor.

**"Principal Collection Accounts"** means jointly the CA Italia Principal Collection Account and the CA Friuladria Principal Collection Account.

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

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

**"Principal Instalment"** means the principal component of each Instalment.

**"Principal Paying Agent"** means, until the delivery of an Issuer Default Notice, Crédit Agricole Italia S.p.A. and, subsequently, Credit Agricole Corporate and Investment Bank, Milan Branch, each of them acting in its capacity as principal paying agent or any other institution that, from time to time, may be appointed as such pursuant to the Cash Allocation, Management and Payments Agreement.

**"Priority of Payments"** means each of the Pre-Issuer Event of Default Interest Priority of Payments, the Pre-Issuer Event of Default Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments.

**"Privacy Law"** means the Italian Legislative Decree no. 196 of 30 June 2003, as subsequently amended, modified or supplemented, together with any relevant implementing regulations as integrated from time to time by the Autorità Garante per la Protezione dei Dati Personali.

**"Programme"** means the programme for the issuance of each Series of Covered Bonds (*obbligazioni bancarie garantite*) by the Issuer in accordance with article 7-bis of the Securitisation and Covered Bond Law.

**"Programme Agreement"** means the programme agreement entered into on or 11 July 2013 between, *inter alios*, the Guarantor, the Seller, the Issuer, the Representative of the Covered Bondholders and the Dealers, as amended and supplemented from time to time.

**"Programme Amount"** means € 16,000,000,000.

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

**"Prospectus Regulation"** means Regulation (EU) 2017/1129, as amended from time to time.

**"Prudential Regulations"** means the prudential regulations for banks issued by the Bank of Italy on 17 December 2013 with Circular No. 285 (*Disposizioni di vigilanza per le banche*) as amended and supplemented from time to time.

**"Public Entities"** means:

- (i) public entities, including ministerial bodies and local or regional bodies, located within the European Economic Area or Switzerland for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for banks — standardised approach;
- (ii) public entities, located outside the European Economic Area or Switzerland, for which 0 (zero) per cent. risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach– or regional or local public entities or non-economic administrative entities, located outside the European Economic Area or Switzerland, for which a risk weight not exceeding 20 per cent. is applicable in accordance with the Bank of Italy's prudential regulations for banks — standardised approach.

**"Public Entity Receivables"** means, pursuant to article 2, sub-paragraph 1, of Decree No. 310, any receivables owed by or receivables which have been benefit of a guarantee eligible for credit risk mitigation granted by Public Entities.

**"Public Entity Securities"** means pursuant to article 2, sub-paragraph 1, of Decree No. 310, any securities issued by, or which have benefit of a guarantee eligible for credit risk mitigation granted by Public Entities.

**"Purchase Price"** means, in relation to the Initial Portfolio and each New Portfolio transferred by a Seller, the consideration paid by the Guarantor to such Seller for the transfer thereof, calculated in accordance with the relevant Master Loans Purchase Agreement.

**"Put Option Notice"** means a notice of exercise relating to the put option contained in Condition 7 (f) (*Redemption at the option of the Covered Bondholders*), substantially in the form set out in Schedule 6 to the Cash Allocation, Management and Payments Agreement, or such other form which may, from time to time, be agreed between the Issuer and the Principal Paying Agent.

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



Bondholder;

"**Quotaholders**" means Crédit Agricole Italia and Stichting Pavia.

"**Quotaholders' Agreement**" means the agreement entered into on 11 July 2013, between Crédit Agricole Italia, Stichting Pavia, the Guarantor and the Representative of the Covered Bondholders, as amended and supplemented from time to time.

"**Quota Capital**" means the quota capital of the Guarantor, equal to Euro 10,000.00.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Guarantor with the Account Bank, IBAN IT55K0503501600225570545225, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Rating Agency**" means (i) Moody's Investors Service España S.A. and any of its successors or assignees, and (ii) any other rating agency which may be selected from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme, to the extent that any of them at the relevant time provides ratings in respect of any Series of Covered Bonds.

"**Real Estate Assets**" means the real estate properties which have been mortgaged in order to secure the Receivables and each of them the "**Real Estate Asset**".

"**Receivables**" means each and every right arising under the Mortgage Loans pursuant to the Mortgage Loan Agreements, including but not limited to:

- (i) all rights in relation to all Outstanding Principal of the Mortgage Loans as at the relevant Transfer Date;
- (ii) all rights in relation to interest (including default interest) amounts which will accrue on the Mortgage Loans as from the relevant Transfer Date;
- (iii) all rights in relation to the reimbursement of expenses and in relation to any losses, costs, indemnities and damages and any other amount due to each Seller in relation to the Mortgage Loans, the Mortgage Loan Agreements, including penalties and any other amount due to each Seller in the case of prepayments of the Mortgage Loans, and to the warranties and insurance related thereto, including the rights in relation to the reimbursement of legal, judicial and other possible expenses incurred in connection with the collection and recovery of all amounts due in relation to the Mortgage Loans up to and as from the relevant Transfer Date;
- (iv) all rights in relation to any amount paid pursuant to any Insurance Policy or guarantee in respect of the Mortgage Loans of which each Seller is the beneficiary or is entitled pursuant to any liens (*vincoli*);
- (v) all of the above together with the Mortgages and any other security interests (*garanzie reali o garanzie personali*) assignable as a result of the assignment of the Receivables (except for the *fidejussioni omnibus* which have not been granted exclusively in relation to or in connection with the Mortgage Loans), including any other guarantee granted in favour of the Sellers in connection with the Mortgage Loans or the Mortgage Loan Agreements and the Receivables.

**"Receiver"** means any receiver, manager or administrative receiver appointed in accordance with clause 9 (*Appointment of Receiver*) of the Deed of Charge.

**"Records"** means the records prepared pursuant to clause 10.1 (*Duty to maintain Records*) of the Cash Allocation, Management and Payments Agreement.

**"Recoveries"** means any amounts received or recovered by the Master Servicer, or by the Sub-Servicer in accordance with the terms of the Master Servicing Agreement, in relation to any Defaulted Receivable and any Delinquent Receivable.

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

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Covered Bond Calculation 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.

**"Release Reserve Amount"** means, on each Guarantor Payment Date, an amount, as calculated by the Calculation Agent on or prior to each Calculation Date, equal to the portion of the balance of the Reserve Fund Account corresponding to the interest paid by the Issuer on all outstanding Series of Covered Bonds, on each Interest Payment Date falling during the immediately preceding Guarantor Payment Period.

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

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

**"Relevant Portfolio"** means, in respect of each Asset Swap Agreement, the Portfolio transferred to the Guarantor by the Asset Swap Provider which is party thereto.

**"Relevant Portfolio Test"** means the test that the Calculation Agent will perform on each Calculation Date in the same manner as the Nominal Value Test, with respect to the Portfolio transferred by each relevant Seller.

**"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.

**"Representative of the Covered Bondholders"** means Zenith Service S.p.A., acting in its capacity as representative of the Covered Bondholders pursuant to the Intercreditor Agreement, the

Programme Agreement, the Conditions and the Final Terms of each Series of Covered Bonds.

**"Reserve Fund Account"** means the Euro denominated account established in the name of the Guarantor with the Account Bank IBAN IT41Q623012700000037051251, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**"Reserve Fund Amount"** means, on each Guarantor Payment Date, an amount, as calculated by the Calculation Agent on or prior to each Calculation Date, equal to:

- (i) interest accruing in respect of all outstanding Series of Covered Bonds during the immediately following Guarantor Payment Period (such that, if Liability Swap Agreements are in place for a Series of Covered Bonds, such interest amounts accruing will be the higher of the amount due to the Liability Swap Provider or the amount due to the Covered Bondholders of such Series, and if Liability Swap Agreements are not in place for a Series of Covered Bonds, such interest amounts accruing will be the amount due to the Covered Bondholders of such Series), provided that on each Calculation Date immediately preceding each Interest Payment Date, the Reserve Fund Amount will be calculated on the basis of the Euribor determined on the immediately preceding Interest Determination Date, plus with reference to the first Guarantor Payment Date following the Issue Date of any Series of Covered Bonds, interest accruing in respect of such Series of Covered Bonds from the Issue date to such Guarantor Payment Date, plus
- (ii) the aggregate amount to be paid by the Guarantor on the immediately following Guarantor Payment Date in respect of the Senior Liabilities.

**"Residential Mortgage Loan"** means "*crediti ipotecari residenziali*" as defined under article 1, subparagraph 1, letter (b) of Decree No. 310, having the features set forth under article 2, subparagraph 1, letter (a) of Decree No. 310.

**"Residential Mortgage Loan Agreement"** means any residential mortgage loan agreement out of which Receivables arise.

**"Retention Amount"** means an amount equal to Euro 50,000.

**"Rules of the Organisation of the Covered Bondholders"** or **"Rules"** means the rules of the Organisation of the Covered Bondholders attached as exhibit to the Conditions of the Covered Bonds.

**"Security"** means the security created pursuant to the Deeds of Pledge and the Deed of Charge, if any.

**"Securities Accounts"** means the accounts opened in the name of the Guarantor with the Account Bank or any other Eligible Institution, upon purchase by the Guarantor from any Seller of, or investment of the monies standing to the credit of the Collections Accounts and the Reserve Fund Account into, Eligible Assets and/or Top-Up Assets represented by bonds, debentures, notes or other financial instruments in book entry form in accordance with and subject to the conditions of the Cash Allocation, Payments and Management Agreement.

**"Securities Act"** means the U.S. Securities Act of 1933, as amended and supplemented from time to time.

**"Securitisation and Covered Bond Law"** means Law No. 130 of 30 April 1999 as amended from

time to time.

**"Security Interest"** means:

- (i) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;
- (ii) any arrangement under which money or claims to money, or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge or any sum owed or payable to any person; or
- (iii) any other type or preferential arrangement having a similar effect.

**"Security"** means the security created pursuant to the Deeds of Pledge, the Luxembourg Deed of Pledge and the Deed of Charge (if any).

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

**"Senior Liabilities"** means

- (i) on any Guarantor Payment Date prior to the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from (*First*) to (*Third*) of the Pre-Issuer Event of Default Interest Priority of Payments, as provided for in the relevant Payments Report;
- (ii) on any Guarantor Payment Date following the delivery of an Issuer Default Notice, an amount equal to the sum of the payments due by the Guarantor pursuant to the items from (*First*) to (*Third*) of the Guarantee Priority of Payments, as provided for in the relevant Payments Report.

**"Series"** or **"Series of Covered Bonds"** means each series of Covered Bonds issued in the context of the Programme.

**"Sole Affected Party"** means an Affected Party as defined in the relevant Swap Agreement which at the relevant time is the only Affected Party under such Swap Agreement.

**"Specific Criteria"** means (i) with respect to each Initial Portfolio, the criteria listed in schedule 3 (*Criteri specifici di selezione e indentificazione dei Crediti*) to each Master Loans Purchase Agreement; or (ii) with respect to each New Portfolio, the criteria listed in Annex A of the relevant Transfer Notice of the New Portfolio.

**"Specified Currency"** has the meaning given in the relevant Final Terms.

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

**"Specified Office"** means in relation to the Principal Paying Agent, its Italian branch at Via Università, 1, Parma 43121, Italy, with respect to the Guarantor Corporate Servicer and the Representative of the Covered Bondholders Via V. Betteloni n. 2, 20131 Milan, Italy, with respect to the Calculation Agent, Piazza Cavour, no 2, 2012, Milan, Italy.

**"Specified Period"** has the meaning given in the relevant Final Terms.

**"Stabilisation Manager"** means each Dealer or any other person acting in such capacity in accordance with the terms of the Programme Agreement.

**"Statutory Tests"** means such tests provided for under article 3 of Decree No. 310 and namely: (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test, as further defined under clause 2 (*Statutory Test*) of the Cover Pool Management Agreement.

**"Statutory Test Verification"** has the meaning ascribed to such term in the Asset Monitor Agreement.

**"Stichting Pavia"** means Stichting Pavia, a foundation incorporated under the laws of the Netherlands, having its registered office at Prins Bernhardplein 200 1097 JB Amsterdam, The Netherlands, and enrolled with the companies register of Amsterdam under number 34344630.

**"Stock Exchange"** means the Luxembourg Stock Exchange.

**"Subordinated Lender"** means each Seller, in its capacity as subordinated lender pursuant to the relevant Subordinated Loan Agreement.

**"Subordinated Loan Agreement"** means each subordinated loan agreement entered into on 20 May 2013 between a Subordinated Lender and the Guarantor, as amended and supplemented from time to time.

**"Subscription Agreements"** means each subscription agreement entered into on or about the Issue Date of each Series of Covered Bonds between each Dealer and the Issuer.

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

**"Sub-Servicer"** means CA Friuladria, in its capacity as sub-servicer pursuant to the Master Servicing Agreement.

**"Substitute Master Servicer"** means the successor to the Master Servicer which may be appointed by the Guarantor, upon the occurrence of a Master Servicer Termination Event, pursuant to clause 8.1.1 (*Sostituto del Master Servicer*) of the Master Servicing Agreement.

**"Sub-Servicing Agreement"** means the sub-servicing agreement entered into on 20 May 2013 between the Guarantor, the Master Servicer and CA Friuladria, as amended and supplemented from time to time.

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

**"Supplemental R&W"** means any additional representations and warranties provided by each Seller and proposed by it in the relevant Transfer Notice, in the event that any Eligible Assets or Top-Up Assets transferred by the relevant Seller comprises assets other than the Residential Mortgage Loans (including Public Entity Receivables and Public Entity Securities).

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

**"Swap Collateral"** means the collateral that may be transferred by the Swap Providers to the Issuer or to the Guarantor, as the case may be, in support of their own obligations pursuant to the Swap Agreements.

**"Swap Collateral Excluded Amounts"** means at any time, the amounts of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor or, as the case may be, the Issuer, including

Swap Collateral which is to be returned to the relevant Swap Provider from time to time, in accordance with the terms of the Swap Agreements and, ultimately, upon termination of the relevant Swap Agreement.

**"Swap Providers"** means, collectively, the Asset Swap Providers, the Liability Swap Providers and any other entity that may act as swap provider pursuant to a swap agreement entered into in the context of the Programme.

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET 2) system.

**"Tax"** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

**"Term Loan"** means a loan made or to be made available to the Guarantor under the Facility or the principal amount outstanding for the time being of that loan, in accordance with each Subordinated Loan Agreement.

**"Test Grace Period"** means the period starting from the Calculation Date on which the breach of a test is notified by the Calculation Agent and ending on the date falling 90 (ninety) days after such Calculation Date.

**"Tests"** means, collectively, the Statutory Tests and the Amortisation Test.

**"Top-Up Assets"** means, in accordance with article 2, sub-paragraph 3.2 and 3.3 of Decree No. 310, each of the following assets:

- (i) deposits held with banks which qualify as Eligible Institution and have their registered office in the European Economic Area or Switzerland or in a country for which a 0 per cent risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and
- (ii) securities issued by the banks indicated in item (i) above, which have a residual maturity not exceeding 1 (one) year.

**"Total Commitment"** with respect to each Subordinated Lender, has the meaning ascribed to such term under the relevant Subordinated Loan Agreement.

**"Trade Date"** means the date on which the issue of the relevant Series of Covered Bonds is priced.

**"Tranche"** means the tranche of Covered Bonds issued under the Programme to which each Final Terms relates, each such tranche forming part of a Series.

**"Transfer Agreement"** means any subsequent transfer agreement for the purchase of each New Portfolio entered into in accordance with the terms of the relevant Master Loans Purchase Agreement.

**"Transaction Documents"** means each Master Loans Purchase Agreement, the Master Servicing Agreement, each Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Programme Agreement, each Subscription Agreement, the Cover Pool Management Agreement, the Intercreditor Agreement, each Subordinated Loan Agreement, the Asset Monitor Agreement, the Covered Bond Guarantee, the Corporate Services Agreement, the Swap Agreements (if any), the Mandate Agreement, the Quotaholders' Agreement, these

Conditions, the Deed of Pledge, the Deed of Charge (if any), the Master Definitions Agreement, each Final Terms and any other agreement which will be entered into from time to time in connection with the Programme.

**"Transfer Date"** means: (a) with respect to each Initial Portfolio, 20 May 2013; and (ii) with respect to each New Portfolio, the date designated by the relevant Seller in the relevant Transfer Notice.

**"Transfer Notice"** means, in respect to each New Portfolio, such transfer notice which will be sent by each Seller and addressed to the Guarantor in the form set out in Schedule 5 (*Modello di proposta di cessione di Nuovi Portafogli*) to the relevant Master Loans Purchase Agreement.

**"Treaty"** means the treaty establishing the European Community.

**"Usury Law"** means the Law number 108 of 7 March 1996 as amended from time to time together with Decree number 394 of 29 December 2000 which has been converted in law by Law number 24 of 28 February 2001 as amended from time to time.

**"Value Added Tax" or "VAT"** means *Imposta sul Valore Aggiunto (IVA)* as defined in D.P.R. number 633 of 26 October 1972.

**"Warranty and Indemnity Agreement"** means each warranty and indemnity agreement entered into on 20 May 2013 between a Seller and the Guarantor, as amended and supplemented from time to time.

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**Zenith Service S.p.A.**

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**LEGAL ADVISER**

*To the Issuer and the Arranger*

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**EY S.p.A.**

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