BRERA SEC S.R.L.

(*incorporated with limited liability under the laws of the Republic of Italy*)

Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072

Issue Price: 100 per cent

Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072

Issue Price: 100 per cent

Application has been made to the *Commission de surveillance du secteur financier* ("**CSSF**"), which is the competent authority in the Grand Duchy of Luxembourg for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") for approval of this Prospectus in relation to the Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072 (the "**Class A Notes**" or the "**Senior Notes**") issued by Brera Sec S.r.l., a *società a responsabilità limitata* organised under the laws of the Republic of Italy with quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 (the "**Issuer**").

This document constitutes a *"prospectus"* for the purpose of article 6.3 of the Prospectus Regulation and the relevant implementing measures in Luxembourg and a "*prospetto informativo*" for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time (the "**Securitisation Law**"). Application has been made to the Luxembourg stock exchange (the "**Luxembourg Stock Exchange**") for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*" which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. In connection with the issue of the Senior Notes, the Issuer will also issue the Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"). No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor will this Prospectus be approved by the CSSF in relation to the Junior Notes. This Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation provided that such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus (i.e. the Senior Notes). Any such approval of the Prospectus by the CSSF should not be considered as an endorsement of the Issuer and the CSSF shall give no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer, in accordance with article 6(4) of loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières (the "**Prospectus Law**"). The Notes will be issued on 27 November 2019 (the "**Issue Date**").

This Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The net proceeds of the offering of the Notes will be applied by the Issuer on the Issue Date to fund the purchase of a portfolio of monetary claims and connected rights arising under residential mortgage loans (respectively, the "**Portfolio**" and the "**Receivables**") between Intesa Sanpaolo S.p.A. ("**ISP**", "**Intesa Sanpaolo**" or the "**Originator**") and the relevant Debtors and in any case in accordance with the provisions contained in the Transaction Documents and as described in the section headed "*Use of Proceeds*". The Portfolio has been purchased by the Issuer under the terms of a receivables purchase agreement entered into between the Issuer and the Originator pursuant to the Securitisation Law on 25 September 2019 (the "**Receivables Purchase Agreement**").

The Portfolio will constitute the principal source of funds available to the Issuer for the payment of interest and Additional Return (if any) and the repayment of principal on the Notes.

By operation of Italian Law and the Transaction Documents, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the securitisation of the Portfolio (the "**Securitisation**"). Amounts derived from the Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

Interest on the Notes will accrue on a daily basis and will be payable on 16th March 2020 (the "**First Payment Date**") and thereafter quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 15th calendar day of March, June, September and December (or, if such day is not a Business Day, the immediately succeeding Business Day) (each such dates, a "**Payment Date**"). The Senior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date. The rate of interest applicable for each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date (each, an "**Interest Period**") (provided that the first Interest Period shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date) in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the First Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.85% *per annum* (the "**Margin**"), provided that the Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 2.15% *per annum* and shall not be negative.

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate of 0.50% *per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**"). An Additional Return may or may not be payable on the Junior Notes on each Payment Date in accordance with the Conditions.

The Senior Notes are expected, on issue, to be rated "AH (sf)" by DBRS Ratings Limited ("**DBRS**") and "A1 (sf)" by Moody's Investors Service España, S.A. ("**Moody's**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation. As of the date hereof, each of DBRS and Moody's is established in the European Union and is registered under Regulation (EC) number 1060/2009, as amended by Regulation (EC) number 513/2011 and Regulation (EC) number 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (for the avoidance of doubt, such website does not form part of this Prospectus).

As at the date of this Prospectus, payments of interest, Additional Return and other proceeds in respect of the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree number 239 of 1 April 1996 ("**Decree number 239**"), as amended and supplemented from time to time, and any related regulations. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Notes. For further details see the section entitled "*Taxation in the Republic of Italy*".

The Notes will be direct, secured and limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Other Issuer Creditors (as defined below). Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream). Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Before the Payment Date falling in December 2072 (the "**Final Maturity Date**"), the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, purchase and cancellation*)). Save for the fact that in any event full redemption will have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the Payment Date falling on 16th March 2020, subject to there being sufficient Issuer Available Funds and in accordance with the applicable Priority of Payments.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a further description of certain restrictions on offers and sales of the Notes see the section entitled "*Subscription, Sale and Selling Restrictions*" below.

The Issuer will be relying on an exclusion or exemption from the definition of "*investment company*" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this Prospectus). No assurance can be given as to the availability of the exclusion or exemption under the Volcker Rule and investors should consult their own legal and regulatory advisors with respect to such matters and assess for themselves the availability of this or other exemptions or exclusions and the legality of their investment in the Notes.

U.S. RISK RETENTION – The transaction is not intended to involve the retention by a sponsor for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), in reliance on an exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non U.S. transactions. Accordingly, and notwithstanding the foregoing, the Notes may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Person. For further details see the section entitled "*Risk Factors - U.S. Risk Retention Requirements*". No assurance can be given as to the availability of the foreign safe harbor" under the Risk Retention Rules and investors should consult their own legal and regulatory advisors with respect to such matters.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, the "**MIFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "*distributor*") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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 (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended or superseded, (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

BENCHMARK REGULATION – Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("**EMMI**"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

Under the Intercreditor Agreement, the Originator has undertaken that it will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Regulation Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and the relevant applicable technical standards (the "**Securitisation Regulation**") in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, the Originator will meet this obligation by retaining an interest that constitute an interest in the first-loss tranche, being the Class B Notes, as required by the text of Article 6(3)(d) of the Securitisation Regulation.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation, and none of the Issuer, the Originator nor the Arrangers, makes any representation that the information described in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.
Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

STS SECURITISATION – The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and, after the Issue Date, is intended to be notified by the Originator to ESMA to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation, the Regulation (EU) No. 575 of 26 June 2013, as amended (the "**CRR**") and/or the Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the "**LCR Regulation**") on the Issue Date or at any point in time in the future. None of the Issuer, the Originator, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation, the CRR and/or the LCR Regulation on the Issue Date or at any point in time in the future. Please refer to the sections entitled "*Compliance with STS Requirements*" and "*Regulatory Disclosure and Retention Undertaking*" for further information.

EURO SYSTEM ELIGIBILITY - The Class A Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee and neither the Issuer nor the Arrangers or the Originator nor any other person takes responsibility for the Class A Notes being recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the Class A Notes satisfying the Eurosystem eligibility criteria (as amended from time to time). In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance or to their rating and listing and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank. None of the Issuer, the Originator, the Arrangers or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.

Capitalised words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the meanings set out in the section headed "*Terms and Conditions of the Notes*".

Save for hyperlinks to information that is incorporated by reference in this Prospectus, the content of any website or webpage mentioned in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

For a discussion of certain risks and other factors that should be considered in connection with this Prospectus and an investment in the Notes, see the section entitled "*Risk Factors*".

Dated 26 November 2019

Arrangers

BANCA IMI S.P.A. **INTESA SANPAOLO S.P.A.**

Underwriter

INTESA SANPAOLO S.P.A.

RESPONSIBILITY FOR INFORMATION

None of the Issuer, the Arrangers, the Underwriter or any other party to any of the Transaction Documents (as defined below) or any other person, other than the Originator, has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of the Issuer, the Arrangers, the Underwriter or any other party to any of the Transaction Documents (as defined below) or any other person, other than the Originator, undertaken, nor will they undertake, any investigations, searches, or other actions to establish the existence of any of the monetary claims in the Portfolio or the creditworthiness of any Debtor in respect of the relevant Receivables. In the Warranty and Indemnity Agreement the Originator has given certain representations and warranties to the Issuer in relation to, inter alia*, the Receivables, Mortgage Loan Agreements and Debtors.*

The Issuer accepts responsibility for the information contained in this 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 contained in this Prospectus for which it takes responsibility is true and does not omit anything likely to affect the import of such information. In respect of any information contained in this Prospectus that has been sourced by the Issuer from a third party, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

*Intesa Sanpaolo S.p.A. has provided the information relating to the Intesa Sanpaolo Banking Group, to itself and to the Portfolio included in this Prospectus in the sections headed "*Regulatory Disclosure and Retention Undertaking*", "*Compliance with STS Requirements*", "*The Portfolio*", "*The Originator, the Servicer, the Administrative Services Provider, the Paying Agent and the Account Bank*" and "*Credit and Collection Policy*", and any other information contained in this Prospectus relating to itself, the Intesa Sanpaolo Banking Group and the Portfolio and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Intesa Sanpaolo S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.*

*Securitisation Services S.p.A. has provided the information included in this Prospectus in the section headed "*The Calculation Agent, the Representative of the Noteholders and the Corporate Services Provider*" and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Securitisation Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information and has been accurately reproduced.*

No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Arrangers, the Underwriter, the Representative of the Noteholders, the Issuer, the Quotaholders*, the Originator (in any capacity) or any other party to the Transaction Documents or any other person. Neither the delivery of this Prospectus nor any offering, sale or delivery of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originator or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets (as defined in the Conditions) are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash-flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, the Paying Agent, the Account Bank, the Subordinated Loan Provider, the Underwriter or the Quotaholders *(the "**Other Issuer Creditors**") and to any third party creditor of the Issuer in respect of any cost, fee or expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolio and the other Segregated Assets will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").*

The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Underwriter to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, or may be used for the purpose of an offer, to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Prospectus can only be used for the purposes for which it has been issued.

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. For further details see the section headed "*Subscription, Sale and Selling Restrictions*" below.*

*The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the Grand Duchy of Luxembourg, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further*

description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "Subscription, Sale and Selling Restrictions" *below.*

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning Directive 2016/97/EC (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) number 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.*

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS PROSPECTUS OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. IN PARTICULAR, NOTHING IN THIS PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES OF THE ISSUER FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS PROSPECTUS MAY NOT BE FORWARDED, DISTRIBUTED, PUBLISHED OR DISCLOSED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

*Interest amounts payable on the Notes will be calculated by reference to Euribor which is provided by the European Money Markets Institute ("**EMMI**"), registered with the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to the article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"). The registration status of any administrator under the Benchmark Regulation is a matter of public record*

and, save where required by applicable law, the Issuer does not intend to update the Prospectus to reflect any change in the registration status of the administrator.

Neither this document nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.

Certain monetary amounts and currency conversions included in this Prospectus may 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.

*All references in this Prospectus to "**Italy**" are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to "**billions**" are to thousands of millions.*

*In this Prospectus, unless otherwise specified, references to "***EUR***", "***euro***", "***Euro***" or "***Euro***" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.*

Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.

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

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RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, Additional Return, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other unknown reasons and the Issuer does not represent that the risks described in the statements below are all the risks of holding the Notes. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Senior Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Senior Notes of interest or principal on such Senior Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Word and expressions defined in the section headed "Terms and Conditions" or elsewhere in this Prospectus have the same meanings in this section.

RISK FACTORS IN RELATION TO THE ISSUER

Issuer's ability to meet its obligations under the Notes

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Calculation Agent, the Representative of the Noteholders, the Account Bank, the Subordinated Loan Provider, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Administrative Servicer Provider, the Quotaholders, the Arrangers or the Underwriter. None of any such persons, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Portfolio, the Cash Reserve and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest or Additional Return on the Notes or to repay the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Portfolio, (ii) the amounts standing to the credit of the Cash Reserve Account, and (iii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes, or to repay the Notes in full.

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the scheduled instalment dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Senior Notes through the support provided to the Issuer in respect of interest payments on the Senior Notes by the Cash Reserve.

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the Mortgage Loans in order to discharge all amounts due from the Debtors under the Mortgage Loan Agreements. With respect to the Senior Notes, this risk is mitigated by the credit support provided by the Junior Notes and, with reference to the payment of interest on the Senior Notes, the availability of the Cash Reserve. No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

Although the Issuer believes that the Portfolio has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes, there can, however, be no assurance that the level of collections and recoveries received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

Credit risk on Intesa Sanpaolo S.p.A. and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator (in any capacity) and the other parties to the Transaction Documents of their respective obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any) and the UTP Receivables (if any). The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

If an event of default occurs in relation to the Servicer pursuant to the terms of the Servicing Agreement, then the Issuer may terminate the appointment of the Servicer. It is not certain that a suitable alternative servicer could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the Issuer to make payments related to the Notes.

The ability of an alternative servicer to fully perform its duties would depend on the information and records made available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the Servicer.

In addition, the Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections then held by the Servicer and not yet credited into the Collection Account are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as the obligation of the Servicer in the Servicing Agreement to credit any Collections to the Collection Account (which shall at all times be maintained with an Eligible Institution) within the second Business Day immediately following the day of receipt thereof. See for further details the sections headed "*Description of the Transaction Documents - The Servicing Agreement*".

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into accounts of the Issuer by no later than the second Business Day following the relevant collection.

Pursuant to article 3, paragraph 2-*bis* of Securitisation Law, as amended by law decree number 91 of 24 June 2014, no actions by persons other than the holders of the relevant securities can be brought on the accounts opened in the name of the special purpose vehicle with the account bank or the servicer, where the amounts paid by the debtors and any other sums paid or pertaining to the special purpose vehicle under the transactions ancillary to the transaction or otherwise under the transaction documents are credited. Such amounts may be applied by the relevant special purpose vehicle exclusively in payment of (i) amounts due by the special purpose vehicle to the holder of the relevant securities; (ii) amounts due by the special purpose vehicle to any counterparty of any derivative transaction entered into by the special purpose vehicle in connection with the transaction for the purposes of hedging risks relating to the receivables and securities assigned; and (iii) the other creditors of the special purpose vehicle with respect to other costs incurred by the special purpose vehicle in connection with the transaction. In case of any proceedings pursuant to Title IV of the Consolidated Banking Act, or any bankruptcy proceedings (*procedura concorsuale*) involving the bank with which such accounts are opened, the sums credited to such accounts (whether before or during the relevant insolvency proceeding) shall not be subject to suspension of payments and shall be immediately and fully repaid to the special purpose vehicle, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and any amounts deriving therefrom (to the extent such amounts have not been and are not commingled with other sums) will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio and the other Segregated Assets will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents,

any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Portfolio would have the right to claim in respect of the Portfolio and the other Segregated Assets, even in a bankruptcy of the Issuer.

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors with the amounts standing to the credit of the Expenses Account and the Corporate Account or in accordance with the Priority of Payments. Following commencement of winding up proceedings in respect of the Issuer, a liquidator would control the assets of the Issuer including the Portfolio, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to file any petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling on the later of (i) one year and one day (or, in the event of prepayment of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any further securitisation, the Noteholders and the Other Issuer Creditors and the other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account and the Corporate Account, into which, respectively, the Issuer Disbursement Amount and the Issuer Retention Amount shall be credited on the Issue Date and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period. To the extent that funds to the credit of the Expenses Account and/or the Corporate Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item *First* of the Priority of Payments. Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Further securitisations

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged two securitisation transactions carried out in accordance with the Securitisation Law. The first one has been completed in December 2017 and involving the issue of asset-backed notes in an aggregate amount of Euro 7,092,309,000 (the "**First Previous Securitisation**" and the "**First Previous**

Securitisation Notes"). The second one has been completed in December 2018 and involving the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (the "**Second Previous Securitisation**" and together with the First Previous Securitisation, the "**Previous Securitisations**", and the "**Second Previous Securitisation Notes**" and together with the First Previous Securitisation Notes, the "**Previous Securitisations Notes**").

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolio subject to the provisions of Condition 5.11 (*Covenants – Further Securitisations*).

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company that purchases the assets. On a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant assets and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuing company.

RISK FACTORS IN RELATION TO THE NOTES

Suitability

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any Class of Notes should ensure that they understand the nature of such Notes and the extent of their exposure to the relevant risks. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Senior Notes and that they consider the suitability of such Senior Notes as an investment in light of their own circumstances and financial condition.

Prospective investors in the Notes should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary.

No communication (written or oral) received from the Issuer, the Servicer, the Originator or the Arrangers or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in any Class of Notes: consequently prospective investors must not rely on any communication (written or oral) of the Issuer, the Servicer, the Originator or the Arrangers as investment advice or as a recommendation to invest in the Senior Notes.

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Notes. It must be further noted that the Conditions provide that the interest payable on the Senior Notes may never accrue at a rate in excess of 2.15% per annum or lower than 0% per annum.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection and renegotiation of, and other recoveries on, the Receivables, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Portfolio and the weighted average life of the Senior Notes. The weighted average life of the Senior Notes will be affected by the timing and amount of receipts in respect of the Receivables, which will be influenced by the courses of action to be followed by the Servicer with respect to the Receivables and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, *inter alia*, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Receivables.

See for further details the section of this Prospectus headed "*Expected weighted average life of the Senior Notes*".

Subordination

As long as any Senior Notes is outstanding, unless notice has been given to the Issuer declaring the Senior Notes due and payable, the Junior Notes shall not be capable of being declared due and payable and the Senior Noteholders shall be entitled to determine the remedies to be exercised. Remedies pursued by the Senior Noteholders could be adverse to the interests of the Junior Noteholders.

Noteholders should also have particular regard to the factors identified in the sections headed "*Credit Structure*" and "*Priority of Payments*" below in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest on the Senior Notes and interest and Additional Return on the Junior Notes and/or repayment of principal due under the Notes.

Limited rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules of Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Most Senior Class of Notes the power to determine whether any Noteholder may commence any such individual actions.

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretions of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding and the Representative of the Noteholders is not required to have regard to the holders of any other Class of Notes then outstanding, nor to the interests of the Other Issuer Creditors, except to ensure that the

application of the Issuer's funds is in accordance with the applicable Priority of Payments. In addition, the Rules of the Organisation of Noteholders contain provisions requiring the Representative of the Noteholders to have regard to the interests of each Class of Noteholders as a class and relieves the Representative of the Noteholders from responsibility for any consequence for individual Noteholders as a result of such Noteholders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "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 Notes linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of benchmarks of unauthorised administrators.

In addition, on 13 February 2019, the Italian Government approved the Legislative Decree No. 19 dated 13 February 2019 with the aim of harmonizing the Italian legislation to the Benchmark Regulation. According to a press release issued on 25 February 2019, the EU institutions agreed to grant providers of "critical benchmark" – interest rates such as Euribor or EONIA – an extension until 31 December 2021 to comply with the new Benchmarks Regulation.

The Benchmarks Regulation could have a material impact on Notes, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes.

Resolutions of the Noteholders

Certain resolutions, to the extent properly adopted in accordance with the Rules, are binding on all Noteholders, and, therefore, certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution. In particular, pursuant to the Rules: (a) any resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting; and (c) any resolution is passed to the extent that the relevant quorum is reached.

Prospective noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting. For example, it should be in particular noted that, in a number of circumstances, the Notes may become subject to early redemption. Early redemption of the Notes as a result of some circumstances may be dependent upon receipt by the Representative of the Noteholders of a direction from, or a resolution passed by, a certain majority of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be ignored and, if a determination is made by certain of the Noteholders to redeem the Notes, all Noteholders, even if they did not vote, may face early redemption of the Notes held by them.

Furthermore, prospective noteholders should note that any Extraordinary Resolution involving a Basic Terms Modification shall be sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes.

Market for the Senior Notes

Although application has been made for the Senior Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market, there is currently no active and liquid secondary market for the Senior Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

Limited liquidity in the secondary market may have an adverse effect on the market value of asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes may fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Eurosystem eligibility criteria

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria (as amended from time to time) and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, the Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at any time. Neither the Issuer, the Arrangers, the Underwriter, the Originator nor any other party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

Limited nature of credit ratings assigned to the Senior Notes

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agency's assessment only of the likelihood that interest will be paid timely and principal will be paid by the final redemption date, not that it will be paid when expected or scheduled. This rating is based, among other things, on the reliability of the payments on the Portfolio and the availability of credit enhancement.

The rating does not address, *inter alia*, the following:

- the possibility of the imposition of Italian or European withholding tax;
- the marketability of the Senior Notes, or any market price for the Senior Notes; or
- whether an investment in the Senior Notes is a suitable investment for the relevant Noteholder.

A rating is not a recommendation to purchase, hold or sell the Senior Notes. Any Rating Agency may lower its ratings or withdraw its ratings if, *inter alia* and in the sole judgement of that Rating Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

The Issuer has not requested a rating of the Senior Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Senior Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

RISK FACTORS IN RELATION TO THE PORTFOLIO

No independent investigation in relation to the Receivables

None of the Issuer, the Arrangers or the Underwriter nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Mortgage Loan Agreements nor has any of them undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of such persons

undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtors.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*", below). There can be no assurance that the Originator will have the financial resources to honour such obligations.

Claw back of the sales of the Receivables

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the Originator is made within three months of the completion of the securitisation transaction (or, if earlier, of the purchase of the Portfolio) or, in cases where paragraph 1 of article 67 applies (e.g. if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the completion of the securitisation transaction (or, if earlier, of the purchase of the Portfolio).

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (Legge Delega) conferring to the Governement the powers to enact certain amendments to the Bankruptcy Law including to the claw-back. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain amendments related, among others, to corporate governance and directors' liability which entered into force on 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been entered into force and have not been tested in any case law nor specified in any further regulation and, therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

Mortgage Loans' performance

The Portfolio is exclusively comprised of mortgage loans which were performing as at the Cut-Off Date (see the section headed "*The Portfolio*"). There can be no guarantee that the Debtors will not default under the relevant Mortgage Loan and that they will therefore continue to perform their obligations thereunder.

The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Mortgage Loans and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of 6 (six)

to 8 (eight) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

Recently, new legal provisions have been introduced in order to speed up legal proceedings. In particular, law decree number 59 of 2 May 2016, as converted into law number 119 of 30 June 2016, implemented new provisions in the Bankruptcy Law and the Italian civil procedure code aimed at:

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

(b) making certain changes to the Italian civil procedure code, including:

  (i) the inadmissibility of opposing the forced sale once the sale or allocation of the attached asset has been decreed;

  (ii) the provisional enforcement of the court order if the statement of opposition is not based on documentary proof;

  (iii) simplification of procedures for releasing the attached property;

  (iv) the possibility of the attached asset being allocated to a third party yet to be nominated;

  (v) the obligation to proceed with sales on the basis of electronic modalities, and the right for the judge to order, after three auctions without bidders, lowering the basic price by up to a half;

  (vi) the possibility, for the judge and for the professionals entrusted with selling, to proceed with partial distributions of the sums obtained from forced sales.

The above provisions are expected to reduce the length of the enforcement proceedings.

Mutui fondiari

The Portfolio comprise certain Mortgage Loans that are mutui fondiari, in relation to which special enforcement and foreclosure provisions apply. Pursuant to Article 40, paragraph 2 of the Consolidated Banking Act, a mortgage lender is entitled to terminate a loan agreement and accelerate the mortgage loan (*diritto di risoluzione contrattuale*) if the debtor has delayed an instalment payment at least seven times whether consecutively or otherwise. For this purpose, a payment is considered delayed if it is made between 30 and 180 days after the payment due date. Accordingly, the commencement of enforcement proceedings in relation to mutui fondiari may take longer than usual. See the section headed "*Selected Aspects of Italian Law*".

Changes in the Portfolio composition

During the life of the Securitisation, the characteristics of the Portfolio may become different from the ones that the Portfolio had as at the Cut-Off Date (such characteristics being schematically shown in the section headed "*The Portfolio*"). Such a change in the composition of the Portfolio may occur, *inter alia*, due to the following circumstances:

(i) *Servicing of the Portfolio* - under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as renegotiations, payment suspensions/deferrals and/or settlements in respect of the Mortgage Loan Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the relevant Debtors under the relevant Mortgage Loan. Under the terms of the Servicing Agreement, the Servicer may conclude with the relevant Debtors settlement agreements envisaging amendments to the amortisation plan of the Mortgage Loans only if certain conditions set by the Servicing Agreement are satisfied;

(ii) *Repurchase rights* - the Originator has been granted (i) an option right to repurchase the Portfolio, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreement provides that the Originator may exercise the repurchase option of individual Receivables only if the aggregate of the repurchased Receivables does not exceed: (a) in respect of the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date; and (b) in respect of Receivables other than Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date.

Certain risks relating to the Real Estate Assets

None of the Issuer, the Arrangers or any Other Issuer Creditors has undertaken or will undertake any investigations, searches or other due diligence as to the Debtors' or the Mortgagors' status or the title to the Real Estate Assets. The only due diligence conducted was undertaken by the Originator (or on its behalf) at the time of the origination of the Mortgage Loans, and such due diligence was largely limited to a review of the certificates of title prepared by the relevant Debtor's lawyers, site visits and third party valuations of the Real Estate Assets. No update of such due diligence has been performed in connection with the assignment of the Receivables to the Issuer.

In the event of a default by the Debtors, the full recovery of amounts due pursuant to the Mortgage Loan Agreements will largely depend upon the value of the Real Estate Assets at the relevant time. The value of the Real Estate Assets depends on several factors, including their location and the manner in which the Real Estate Assets are maintained. The value of the Real Estate Assets may be affected by changes in general and regional economic conditions such as an oversupply of space, a reduction in demand for residential or commercial real estate in an area, competition from other available space or increased operating costs. The value of the Real Estate Assets may also be affected by such factors as political developments, government regulations and changes in planning, zoning or tax laws, interest rate levels, inflation, availability of financing and yields of alternative investments. Therefore, no assurance can be given that the values of the Real Estate Assets have remained or will remain at the level at which they were on the origination dates of the related Mortgage Loans.

The security for the Notes consists of, *inter alia*, the Issuer's interest in the Mortgage Loans. The value of such security may be affected by, among other things, a decline in property values as described above.

Should the Italian residential property market experience an overall decline in property values, such a decline could, in certain circumstances, result in a significantly reduced security value and ultimately, may result in losses to the Noteholders if the security is required to be enforced. In addition, no assurances can be given that the values of the Real Estate Assets will not decrease at a rate higher than that anticipated on the origination of the Receivables. Should this happen, it could have an adverse effect on the levels of recoveries under the Portfolio.

All the Mortgage Loan Agreements provide that the relevant Real Estate Assets must be covered by an insurance policy. There can be no assurance that all risks that could affect the value of the Real Estate Assets are or will be covered by the relevant insurance policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Real Estate Assets which is not covered (or which is not covered in full) by the relevant insurance policy could adversely affect the value of the Real Estate Assets and the ability of the relevant Debtor to repay the relevant Mortgage Loan.

Any property in Italy may be subject to a compulsory purchase order in connection with general utility purposes at any time. If a compulsory purchase order is made regarding any of the Real Estate Assets, compensation would be payable to the Debtor (as owner of the relevant Real Estate Asset) on the basis of specific criteria set out in the applicable legislation. There can be no assurance that the amount of such compensation would at least be equal to the value of the relevant Real Estate Asset. In addition, there is often a delay between the completion of a compulsory purchase of a property and the date of payment of the statutory compensation. Any such delay, or a payment of statutory compensation to the Debtor that is lower than the value of the relevant Real Estate Asset, could have an adverse impact on the ability of the Issuer to meet its obligations to pay principal and interest under the Notes.

Rights of set-off and other rights of Debtors

Under general principles of Italian law, a borrower of a mortgage loan is entitled to exercise rights of set-off in respect of amounts due under such mortgage loan against any amounts payable by the relevant originator to such borrower if and to the extent that such counterclaims have arisen before the publication of the notice of the assignment of the Receivables in the Official Gazette pursuant to article 58, second paragraph, of the Consolidated Banking Act and the registration of such sale with the companies' register where the Issuer is enrolled have been made. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolio to the Issuer pursuant to the Receivables Purchase Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled, the Debtors shall not be entitled to exercise any set-off right against their claims against the Originator which arises after the date of such publication and registration.

Suspension of mortgage instalments – *Fondo di solidarietà per i mutui per l'acquisto della prima casa*

Italian Law No. 244 of 24 December 2007, the Italian budget law for year 2008 (the "**2008 Budget Law**"), provides, *inter alia*, that borrowers of loans granted for the purchase of real estate property to be used as the borrower's main residence (*abitazione principale*) may request that payment of instalments thereunder be suspended at the terms specified therein.

The 2008 Budget Law provided for the establishment of a fund ("*Fondo di solidarietà per i mutui per l'acquisto della prima casa*") (the "**Fund**") created for the purpose of bearing certain costs deriving

from the suspension of payments by the borrowers and referred to an implementing regulation to be issued by the Ministry of the Economy and Finance ("*Ministro dell'economia e delle finanze*") in conjunction with the Ministry of the Social Solidarity ("*Ministro della solidarietà sociale*"). Pursuant to the decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010, CONSAP ("*Concessionaria Servizi Assicurativi S.p.A*") was selected as managing company of the Fund.

On 21 June 2010, Ministerial Decree number 132 issued by the Ministry of Economy and Finance and published in the Official Gazette of the Republic of Italy on 18th of August 2010 (the "**Decree 132**"), as amended by Decree number 37 of 22 February 2013 (the "**Decree 37**"), set out the requirements to be complied with by borrowers in order to have the right to the aforementioned suspension and the subsequent aid from the Fund.

The 2008 Budget Law has been supplemented by Law No. 92 of 28 June 2012 (the "**Law 92**"), which has modified the requirements to be met by borrowers to benefit of the aids provided for by the Fund. In particular, Law 92 provides that the suspension of the payment of mortgage loans instalments can be granted for a period of 18 (eighteen) months upon the occurrence of at least one of the following events with respect to the relevant borrower:

(i) termination of an employment contract of indeterminate duration;

(ii) termination of a fixed term employment contract;

(iii) termination of one of the employment relationships provided for by article 409, No. 3) of the Italian civil procedure code; or

(iv) death or declaration of handicap or disability for at least 80%.

Decree 132 has been supplemented by the Decree 37, entered into force on 27 April 2013, which has been enacted for the purpose of making Decree 132 compliant with the new provisions of Law 92.

Starting from 27 April 2013, new requests to access to the aids granted by the Fund shall be submitted (in accordance with the requirements and the conditions provided for by Law 92) by using the documentation published on the CONSAP official website http://www.consap.it/ or on the Ministry of Economy and Finance web-site (www.dt.tesoro.it) (for the avoidance of doubt, such websites do not constitute part of this Prospectus). As to regard, the requests submitted to CONSAP before 17 July 2012, such requests shall be regulated by the provisions of the Decree 132.

As specified in Law 92, the suspension of payments of the instalments can be granted also in favour of mortgage loans which have been object of securitisation transactions.

Any Debtor who will comply with the requirements set out in Law 92 might have the right to suspend the payment of the instalments of its Mortgage Loan and therefore there is the risk that the Issuer will experience a consequential delay in the collection of the relevant instalments. A significant number of applications by Debtors concentrated over a specific period will have an adverse impact on the Issuer's cash flow of that period, although it should be considered that the aforementioned aids will be granted to the borrowers within the limits of the budget available to the Fund. Pursuant to the Italian Law Decree No. 102 of 31 August 2013, converted into Italian Law No. 124 of 28 October 2013, the budget of the Fund is increased of Euro 20,000,000 for each of 2014 and 2015 years.

It should be noted that, pursuant to the Servicing Agreement, the Originator, in its capacity as *Servicer*, has been empowered to grant to the Debtors the suspension of payments of the relevant instalments in accordance with the terms and conditions set out under the same Servicing Agreement. See for further details "*Description of the Transaction Documents - The Servicing Agreement*".

Compounding of interest (*anatocismo*)

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 only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and 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 ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/1999 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*"). In this respect, it should be noted that article 25, paragraph 2, of the decree number 342 of 4 August 1999 ("**Decree 342**") has delegated to the interministerial committee of credit and saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of Decree 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Decree 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the delegated law, and article 25 paragraph 3 of Decree 342 has been declared unconstitutional by decision number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

The Originator has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge relating to the violation of article 1283 of the Italian civil code.

Article 17-*bis* of law decree number 18 of 14 February 2016 (as converted into law with amendments by law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Consolidated Banking Act, providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2, of the Consolidated Banking Act delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Consolidated Banking Act, interests are due as from 1 March of the year

following the year of the relevant accrual. In any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day the debtor is aware of the amount to be paid; and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor's account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount). The new regulation was applicable to the Intermediaries as of 1st October 2016. Intesa Sanpaolo S.p.A. has timely complied with the new regulation.

Italian Usury Law

Italian Law number 108 of 7 March 1996 (as amended and supplemented, 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 Ministry of Economy and Finance (the last such decree having been issued on 24 September 2019 and being applicable for the quarterly period from 1 October 2019 to 31 December 2019). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*") , related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, the *Sezioni Unite* of the Italian Supreme Court, with the decision number 16303 of the 20 June 2018, have clarified the necessity to make the comparison between omogeneous elements taking into account for the *commissione di massimo scoperto* the portion of Usury Rate corresponding to the *commissione di massimo scoperto.* With reference to the loan agreements, the Italian Supreme Court ("*Corte di Cassazione*"), with the decision number 350 of 9 January 2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. 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, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

The Italian Government has specified with law decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion was supported by the Italian Supreme Court (decisions numbers 602 and 603 of 11 January 2013), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans. However, a recent decision by the *Sezioni Unite* of the Italian Supreme Court (Cass. Sez. Un., 19 October 2017, number 24675) has finally clarified that the principle of the so called "*usura sopravvenuta*" may not apply and therefore if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury

limit from time to time in force, such interest would not need to be reduced to the then applicable usury limit

The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By decision number 29 of 25 February 2002, the Italian Constitutional Court stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for those provisions of the Usury Law Decree which provide that the interest rates due on instalments payable after 2 January 2001 on loans are to be replaced by lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

If the Usury Law were to be applied to the Notes, the amount payable by the Issuer to the Noteholders may be subject to reduction, renegotiation or repayment.

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement that the provisions of the Mortgage Loan Agreements comply with the Italian usury provisions.

Article 120-ter of the Consolidated Banking Act

Article 120-ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional and business activity.

The Italian banking association ("**ABI**") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "**Substitutive Prepayment Penalty**") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early

redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001 the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Article 120-quater of the Consolidated Banking Act

Article 120-quater of the Consolidated Banking Act provides that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the right of prepayment of the loan and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (surrogazione per volontà del debitore) of the Italian civil code (the "**Subrogation**"), even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-quater of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 (thirty) business days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1 per cent of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

As a result of the Subrogation, the rate of prepayment of the Mortgage Loans might materially increase; such event might have an impact on the yield to maturity of the Notes.

RISKS RELATING TO THE SECURITISATION REGULATION

General uncertainty in relation to the Securitisation Regulation

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the Securitisation Regulation) as regards: (i) risk retention, (ii)

due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. These requirements apply in respect of the Notes.

There is at present some uncertainty in relation to certain of the requirements of the Securitisation Regulation, including the risk retention requirements under article 6 of the Securitisation Regulation, the transparency obligations imposed under article 7 of the Securitisation Regulation (as to which see below) and the homogeneity criteria set out in article 20, paragraph 8 of the Securitisation Regulation. The regulatory technical standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such regulatory technical standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

The risk retention, transparency, due diligence and underwriting criteria requirements described below apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

Investors' compliance with due diligence requirements under the Securitisation Regulation

Investors should be aware of the due diligence requirements under article 5 of the Securitisation Regulation that apply to institutional investors with an EU nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds). Amongst other things, such requirements restrict an institutional investor (other than the originator, sponsor or original lender within the meaning of the Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

(a) that institutional investor has verified that:

  (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;

  (ii) the risk retention requirements set out in article 6 of the Securitisation Regulation are being complied with; and

  (iii) information required by article 7 of the Securitisation Regulation has been made available; and

(b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural

features of the transaction that can materially impact the performance of its securitisation position.

In addition, under article 5(4) of the Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The institutional investor due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. Prospective investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of the non-compliance should seek guidance from their regulator.

Default Risk in relation to the Securitisation Regulation

In the event that the Originator breaches its undertaking to retain on an ongoing basis a material net economic interest in the Securitisation of not less than 5% in accordance with the requirements of the Securitisation Regulation the transaction would cease to be compliant with the Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes. In this regard, potential noteholders should note that it is expected that the Originator will use the Notes retained by it as collateral for secured funding purposes in a manner permitted under the Securitisation Regulation. It is possible that the transaction may cease to satisfy the requirements of article 6 of the Securitisation Regulation should the enforcement of that security or any consequences arising from those dealings result in the Originator ceasing to retain the requisite level of material net economic interest in the Securitisation.

Disclosure requirements under CRA Regulation and Securitisation Regulation are uncertain in some respects

The CRA Regulation provides for certain additional disclosure requirements for structured finance instruments within the meaning of Commission Delegated Regulation (EU) No. 2015/3 of 30 September 2014 (**SFIs).** According to the CRA Regulation, such disclosure needs to be made via a website to be set up by ESMA. The Commission Delegated Regulation No. 2015/3 of 30 September 2014, which contains regulatory technical standards adopted by the European Commission to implement provisions

of the CRA Regulation, came into force on 26 January 2015. These regulatory technical standards apply from 1 January 2017. In relation to an SFI issued or outstanding on or after the date of application of Commission Delegated Regulation No. 2015/3 of 30 September 2014, the issuer, originator and sponsor are required to comply with the reporting requirements. In its press release, dated 27 April 2016, ESMA communicated to the public that it is unlikely that ESMA will make available the SFI-website on which the reports on outstanding SFIs must be made available by 1 January 2017 or that it will be able to publish the technical instructions which ESMA must prepare pursuant to article 8b of the CRA Regulation by that date. In the press release ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the Securitisation Regulation. Accordingly, pursuant to the obligations set forth in article 7(2) of the Securitisation Regulation, the originator, sponsor and securitisation special purpose entity (**SSPE)** of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation, which includes the prospectus issued in the context of the offer of notes in a securitisation transaction, to a regulated securitisation repository. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation will in turn disclose information on securitisation transactions to the public. With the application of these provisions, the disclosure requirements of the CRA Regulation concerning SFI's are also addressed.

The Notes are issued after 1 January 2019. Consequently, the disclosure requirements of article 7 of the Securitisation Regulation apply in respect of the Notes. Such disclosure requirements replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI's as a result of the repealing of article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed "Opinion regarding amendments to ESMA's draft regulatory technical standards on disclosure requirements under the Securitisation Regulation which included revised draft reporting templates" (the "**Opinion RTS**"). On 16 October 2019, the European Commission has substantially confirmed the content of the Opinion RTS by publication of two proposals of regulation submitted to the European Parliament and the Council to be finally approved in the next few months. The transitional provision of article 43(8) of the Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) No. 2015/3 of 30 September 2014. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 Securitisation Regulation will be available, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy.

In addition, there remains some uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer,

related third parties and investors resulting from any potential non-compliance by the Issuer with the reporting obligations.

Risks relating to qualifying as an STS Securitisation under the Securitisation Regulation

The Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (the "**STS-securitisations**"). The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the Securitisation Regulation. However, the Securitisation may not qualify or continue to qualify as a STS-securitisation under the Securitisation Regulation, the CRR and/or the LCR Regulation at any point in time in the future.

None of the Issuer, the Originator, the Reporting Entity, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation, the CRR and/or the LCR Regulation at any point in time in the future.

Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS notification or other disclosed information.

Non-compliance with the status of an STS-securitisation may result in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

RISKS RELATING TO TAX CONSIDERATIONS

Substitute tax under the Notes

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed "*Taxation in the Republic of Italy*" of this Prospectus, be subject to a Decree 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Decree 239 Deduction. Decree 239 Deduction, if applicable is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that any Decree 239 Deduction or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer shall not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders shall receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

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

Tax treatment of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. In light of the principles arising from the regulations issued by the Bank of Italy on 15 December 2015(*Istruzioni per la redazione dei bilanci e dei rendiconti degli intermediari finanziari, degli istituti di pagamento, degli istituti di moneta elettronica, delle SGR e delle SIM*), as amended and

supplemented, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolio will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by the Italian tax authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

Pursuant to Legislative Decree No. 141/2010 which modified Article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under Article 106 of the Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 7 June 2017. The Italian tax authority (*Agenzia delle Entrate*) has not changed its tax guidelines.

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses.

A transfer of claims falls within the scope of VAT if it can be characterised as a supply of services rendered by the purchaser. In this respect, a transfer of claims entails a supply of services in the event and to the extent that (i) it has a "*financial purpose*" pursuant to Article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction) provided that it could not be qualified as credit recovery (attività di recupero crediti) subject to VAT rate of 22 per cent. As far as the "*financial purpose*" is concerned, it must be pointed out that the transfer of the claims related to the securitisation in question takes place in the context of a "*financial transaction*" because (a) the Originator transfer the claims to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the claims) to be advanced to the Originator as transfer price of the claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. In this respect, the transfer of claims in the context of a securitisation transaction should not be deemed as credit recovery (*attività di recupero crediti*) subject to VAT rate of 22 per cent., based on the clarification given by the Italian tax authority (*Agenzia delle Entrate*) in Resolution No. 32/E of 11 March 2011. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been analysed by the EU Court of Justice and by Italian tax authority (*Agenzia delle Entrate*) in cases dealing with the VAT analysis of the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Resolution No. 32/E of 11 March 2011 issued by the Italian tax authority (*Agenzia*

delle Entrate)). However it is also to be mentioned that since both factoring and securitisation transaction share similar "*financial purposes*", the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. According to the above-mentioned judgments and resolutions, the remuneration of the "*financial transaction*" executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called "**Discount**") as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In such a case, the transfer of the claims is subject to VAT at the zero per cent. rate (VAT exempt transaction). In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a "*financial transaction*" for VAT purposes. In a judgment (Judgment of October 27, 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows "*an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment*". On the basis of a cross interpretation of principles embodied in Resolution No. 32/E of 2011 and EU Court of Justice C-93/10, it can be summarised that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no "*financial service*" for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as the one at stake, if (i) a portfolio of performing claims is not transferred either for a consideration due by the transferor to the transferee or for a discount below the face value of the claims or (ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment, the relevant transfer could be treated not as a "*financial transaction*" rendered by the Issuer and therefore the transaction could not qualify for VAT purposes as "operazione esente" (VAT exempt subject to VAT at the zero per cent. rate) and could qualify instead as "*operazione fuori campo*" (out of the scope of VAT and not subject to VAT). In this respect, if a transaction does not fall within the scope of VAT, VAT is not due and proportional registration tax will be applicable. Should for any reason the Receivables Purchase Agreement be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred claims.

U.S. Foreign Account Tax Compliance Act (FATCA)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions, including the Republic of Italy, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Senior Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments

on instruments such as the Senior Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Senior Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register. Further, Senior Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Senior Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Senior Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

RISKS RELATING TO OTHER LEGAL AND REGULATORY CONCERNS

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, no interpretation of the application of the Securitisation Law as subsequently amended from time to time, has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus. In addition to that, in the last years certain amendments have been introduced to the Securitisation Law. For details with respect to such amendments, please see section headed "*Selected aspects of Italian Law – The Securitisation Law*".

"Brexit" risk

Prospective investors should note that, pursuant to a referendum held in June 2016, the UK has voted to leave the European Union and, on 29 March 2017, the UK Government invoked article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the European Union (the "**Withdrawal Agreement**"). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

As at the date of this Prospectus, it is not clear whether the Withdrawal Agreement in the current draft form will be approved, finalised and ratified by the UK and the European Union prior to the deadline for leaving. Such deadline has recently been extended by agreement with the European Union. If the Withdrawal Agreement is not ratified and the deadline is not further extended, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the UK from the date the UK leaves the European Union. Whilst continuing to negotiate the Withdrawal Agreement, the UK Government has made preparations for a "no-deal" Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018.

Due to the ongoing political uncertainty as regards the terms of the UK's withdrawal from the European Union and the structure of the future relationship, it is not possible to determine the precise impact on general economic conditions in the UK or the remaining 27 member states of the EU, including Italy or on the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on European and UK economies and businesses (including the parties to the Transaction Documents). Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security and damage consumer confidence. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

Mortgage Credit Directive

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

(a) standard information in advertising, and standard pre-contractual information;

(b) adequate explanations to the borrower on the proposed credit agreement and any ancillary service;

(c) calculation of the annual percentage rate of charge in accordance with a prescribed formula;

(d) assessment of creditworthiness of the borrower;

(e) a right of the borrower to make early repayment of the credit agreement; and

(f) prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014.

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

The Mortgage Credit Directive has been implemented in Italy by way of legislative decree number 72 of 21 April 2016 ("**Legislative Decree 72**"). Legislative Decree 72 introduced into the Consolidated Banking Act, under Title VI, a new Chapter 1-*bis* in relation to consumer mortgage credit, including, *inter alia*, a new article 120-*quinquiesdecies*, pursuant to which a consumer and an entity authorised to grant loans in a professional manner in the Republic of Italy who are parties to a mortgage credit agreement may expressly agree, subject to the provisions of article 2744 of the Italian Civil Code, that, in case of non-payment of eighteen monthly instalments by the relevant debtor, the property of the debtor subject to security or the proceeds deriving from the sale thereof can be transferred to the creditor in discharge of all the outstanding obligations of the debtor *vis-à-vis* the creditor (even if the value of such property or the amount of such proceeds is lower than the residual debt). In the event that the value of

the property of the debtor subject to security or amount of the proceeds deriving from the sale thereof is higher than the residual debt, the debtor will be entitled to receive the excess amount. The value of the property shall be determined by an independent expert chosen by the parties, or, if an agreement on the appointment of the expert is not reached between them, by the president of the competent court (*Presidente del Tribunale competente*).

The provisions introduced by the Legislative Decree 72 allow the automatic transfer of the property subject to security from the debtor to the relevant creditor in discharge of all the relevant outstanding obligations. Provided that certain risks may arise from the management by the creditor of the relevant property, such new legislation is expected to facilitate the recovery of the relevant claims.

On 29 September 2016, the Ministry of Economy and Finance, as chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*), issued the decree number 380 (the "**Decree 380**") which implemented Chapter 1-*bis* of Title VI of the Consolidated Banking Act, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016 the Bank of Italy has published an amended version of its regulations on transparency of banking and financial operations (*Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*).

It must be noted that, given the novelty of this new legislation and the absence of any interpretation by Italian court, the impact of Legislative Decree 72 may not be predicted as at the date of this Prospectus.

Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets. Since the beginning of May 2010, the sovereign debt-related difficulties in several Euro-zone countries have determined the decline of the credit quality of certain EU Member States, including Cyprus, Greece, Italy, Portugal and Spain, as also reflected by downgrades suffered by such Countries. The large sovereign debts and fiscal deficits in European countries and its impact on Euro-zone banks' funding have raised concerns regarding the stability and overall standing of the Euro-zone and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead the potential reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time. It should be noted that the risk that certain EU Member States could exit from European Union and consequently from the single currency has become more consistent at the beginning of 2015, in particular with reference to Greece.

The occurrence of such adverse scenario might result in higher levels of financial market volatility, lower interest rates, bond impairments, increased bond spreads and other difficult to predict spill-over effects.

In particular, the Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Notes are downgraded.

Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies, inter alia, to credit institutions, investments firms and financial institutions that are established in the European Union (when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis) (collectively, the "**relevant institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by Legislative Decrees number 180 and number 181 of 16 November 2015.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

In addition to the above, it should be noted that due to the fact that ISP is a credit institution established in the European Union, it is subject to the BRRD. Therefore, in case of failure by ISP to comply with the prudential requirements applicable to it, or upon occurrence of certain other circumstances set forth in the BRRD, it may be subject to the BRRD resolution procedure. In such circumstances, ISP may not be in a position to meet its obligations under the Transaction Documents, including its obligations as Servicer and as indemnity provider under the Warranty and Indemnity Agreement.

Implementation of, and amendments to, the Basel II framework may affect the regulatory capital and liquidity treatment of the Notes

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**") and Regulation No. 575/2013 ("**CRR**"). On 7 June 2019 the following, inter alia, were published on the Official Journal of the EU: (i) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"), (ii) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("**CRR II**"), and (iii) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**"), and entered into force on 27 June 2019. Certain portions of of the new rules apply as from 27 June 2019 while others shall apply as from 28 June 2021. The new rules implement the Basel Committee's finalised Basel III reforms dated December 2017. The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15%.

Implementation of the Basel framework including Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

The implementation of Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments have and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the

Issuer. The direction and the magnitude of the impact of Basel III will depend on the particular asset structure of each credit institution and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the guidelines resulting from the transposition of the above mentioned provisions.

The implementation of Basel III, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the capital requirements directives.

Accordingly, recipients of this Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV and of the CRD V, the CRR II, the BRRD II and any of its expected amendments could have on them.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above). The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework (including the Basel III changes described above). Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes, the CRD IV, the CRD V, the CRR II, the BRRD II and any of their expected amendments described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Change of law

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

Projections, forecast and estimates

Any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Forward-looking statements

Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

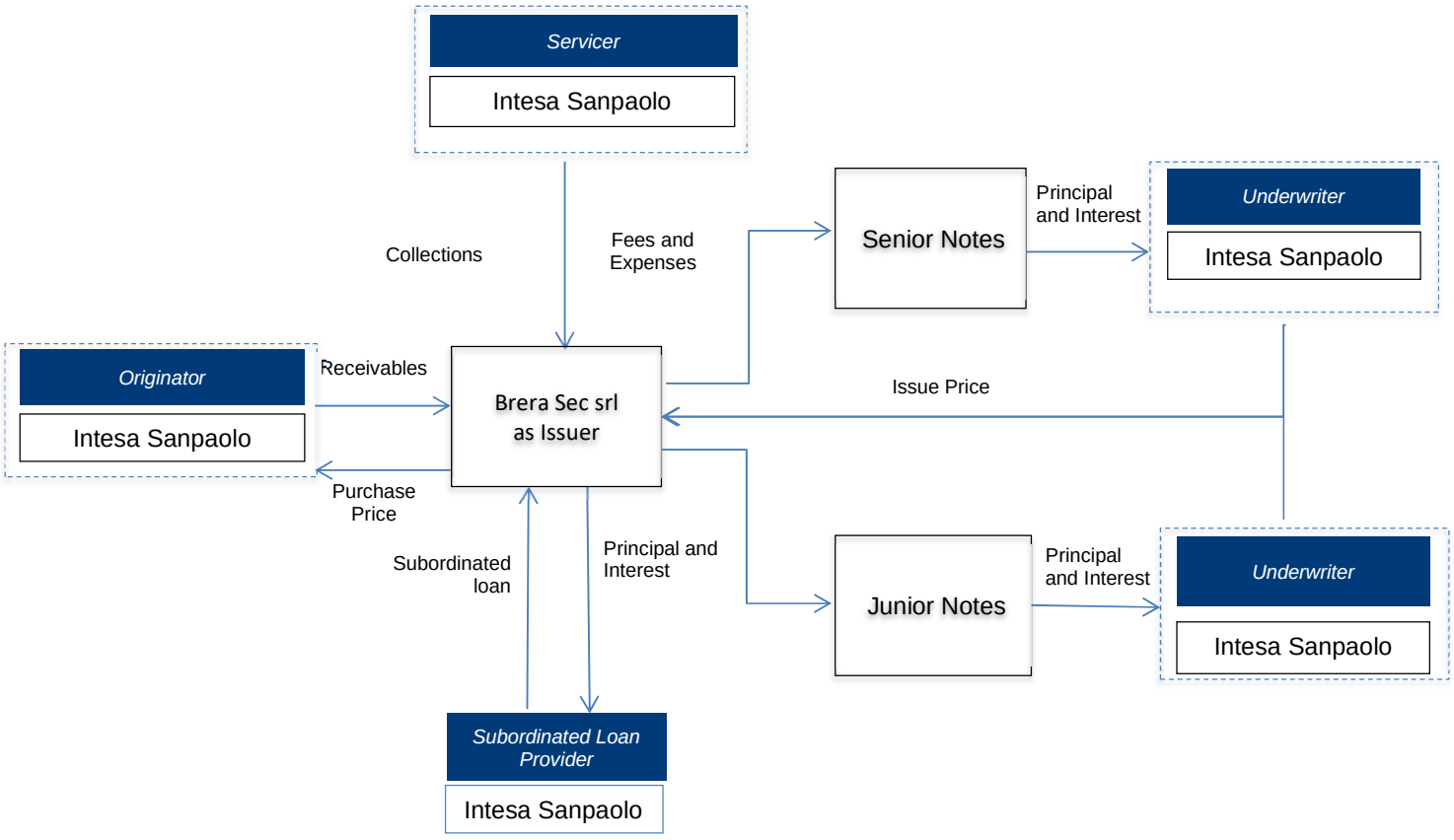
Simultaneous occurrence of several risk factors

As risks described in this section can occur simultaneously, a simultaneous occurrence of two or more of such risks would be capable of rendering an investment in the Notes riskier.

The Issuer believes that the risks described above are the principal risks inherent in the Transaction for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of any Class of interest or principal on such Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

TRANSACTION DIAGRAM

The following is a diagram showing the structure of the Securitisation as at the Issue Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Securitisation on the Issue Date. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.



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TRANSACTION OVERVIEW

The following information is an overview of certain aspects of the transactions and assets underlying the Notes and should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus and in the Transaction Documents. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this Prospectus. All capitalised words and expressions used in this transaction overview, not otherwise defined herein, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.

1. THE PRINCIPAL PARTIES

Issuer	**BRERA SEC S.R.L.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law (the "**Issuer**"). The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Issuer may carry out other securitisation transactions in addition to the one contemplated in this Prospectus, subject to the terms and conditions specified under Condition 5.11 (*Covenants – Further securitisations*). In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged two securitisation transactions carried out in accordance with the Securitisation Law. The first one has been completed in December 2017 and involving the issue of asset-backed notes in an aggregate amount of Euro 7,092,309,000 (the "**First Previous Securitisation**" and the "**First Previous Securitisation Notes**"). The second one has been completed in December 2018 and involving the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (the "**Second Previous Securitisation**" and together with the First Previous Securitisation, the "**Previous Securitisations**", and the "**Second Previous Securitisation Notes**" and together with the First Previous Securitisation Notes, the "**Previous Securitisations Notes**"). *For further details see the section headed "*The Issuer*".*
Originator	**INTESA SANPAOLO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy

	and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 9,085,663,010.32 fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, Representative of the VAT Group "Intesa Sanpaolo" with VAT number 11991500015 (IT11991500015), enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act ("**ISP**" or the "**Originator**").
Servicer	**ISP**, acting as servicer pursuant to the Servicing Agreement or any person from time to time acting as servicer (the "**Servicer**").
Calculation Agent	**SECURITISATION SERVICES S.P.A.**, a company with a sole shareholder incorporated under the laws of the Republic of Italy as a *società per azioni*, subject to the direction and coordination activity (*attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A., having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 2,000,000.00, fiscal code and enrolment with the companies register of Treviso-Belluno number 03546510268, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, currently enrolled under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the "*Gruppo Banca Finanziaria Internazionale*", registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act ("**Securitisation Services**" or the "**Calculation Agent**"). The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Representative of the Noteholders	**SECURITISATION SERVICES**, acting as representative of the noteholders pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement or any person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders**").
Account Bank	**ISP**, acting as account bank pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as account bank (the "**Account Bank**").
Subordinated Loan Provider	**ISP**, acting as subordinated loan provider pursuant to the Subordinated Loan Agreement or any person from time to time acting as subordinated loan provider (the "**Subordinated Loan Provider**").
Paying Agent	**ISP**, acting as paying agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as paying agent (the "**Paying Agent**").

Listing Agent	**INTESA SANPAOLO BANK LUXEMBOURG S.A.**, a bank incorporated under the laws of the Grand Duchy of Luxembourg as a société anonyme, having its registered office at 19-21 Boulevard Prince Henri, 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés of Luxembourg* under number B 13859, acting as listing agent pursuant to the Cash Allocation, Management and Payments Agreement or any person from time to time acting as listing agent (or the "**Listing Agent**").
Corporate Services Provider	**SECURITISATION SERVICES**, acting as corporate services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as corporate services provider (the "**Corporate Services Provider**").
Administrative Services Provider	**ISP**, acting as administrative services provider pursuant to the Corporate and Administrative Services Agreement or any person from time to time acting as administrative services provider (the "**Administrative Services Provider**").
Quotaholders	**ISP**, acting as a quotaholder (a "**Quotaholder**").
	STICHTING SARONNO, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands, having its registered office at Barbara Strozzilaan, 101 1083 HN Amsterdam, The Netherlands, enrolment with the Dutch chamber of commerce under number 68975880 ("**Stichting Saronno**" or a "**Quotaholder**" and, together with ISP, the "**Quotaholders**").
Reporting Entity	**ISP**, acting as reporting entity or any person from time to time acting as reporting entity (the "**Reporting Entity**").
Arrangers	**ISP**, acting as arranger or any person from time to time acting as arranger (an "**Arranger**").
	BANCA IMI S.P.A., a bank incorporated in Italy as a *società per azioni*, having its registered office at Largo Mattioli, 3, 20121 Italy, with paid-in share capital of Euro 962,464,000, registered with the Companies' Register of Milano Monza Brianza Lodi under No. 04377700150 and with the register of banks held by the Bank of Italy under No. 5570, participant to the banking group "Intesa Sanpaolo", subject to the activity of management and coordination ("*attività di direzione e coordinamento*") of ISP, authorised to carry out business in Italy pursuant to the Consolidated Banking Act ("**Banca IMI**") or any person from time to time acting as arranger (an "**Arranger**" and, together with ISP, the "**Arrangers**").

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	On the Issue Date the Issuer will issue the following classes of notes:

(i) Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072 (the "**Class A Notes**" or the "**Senior Notes**");

(ii) Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

Issue price

The Notes will be issued at the following percentages of their principal amount:

Class	Issue Price
Senior Notes	100 per cent
Junior Notes	100 per cent

Interest on the Senior Notes

The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Euribor for 3 month (the "**Three Month Euribor**") (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.85% *per annum* (the "**Margin**"), *provided that* the Senior Notes Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 2.15% *per annum* and shall not be negative.

The Three Month Euribor applicable to the Senior Notes for each Interest Period will be determined on the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period (except in respect of the First Interest Period, where the applicable Euribor will be determined two Business Days prior to the Issue Date).

Interest on the Junior Notes

The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate equal to 0.50% *per annum* (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**").

Additional Return on the Junior Notes

An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the Conditions.

"**Additional Return**" means, (i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Eleventh* (included) of the Pre Enforcement Priority of Payments; or (ii) on each Payment Date on which the Post

	Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments; *plus*, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.
Payment Date	Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro in accordance with the applicable Priority of Payments, on the 15th calendar day of March, June, September and December (each such dates, a "**Payment Date**"). The first Payment Date will fall in 16 March 2020 (the "**First Payment Date**").
Unpaid Interest	Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre Enforcement Priority of Payments or the Post Enforcement Priority of Payments, as applicable), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest.
Form and denomination	The denomination of the Senior Notes and the Junior Notes will be Euro 100,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli, including any depository banks appointed by Euroclear and Clearstream). The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Consolidated Financial Act and regulation of 13 August 2018 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.
Ranking, status and subordination of the Notes	In respect of the obligation of the Issuer to pay interest on the Notes and Additional Return (as applicable) prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase*

and Cancellation – Optional redemption for taxation reasons), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal up to the Target Amortisation Amount on the Notes prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

In respect of the obligation of the Issuer, to pay interest on the Notes and Additional Return (as applicable) following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior

Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds net of any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

Withholding on the Notes

As at the date of this Prospectus, payments of interest, Additional Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree No. 239 of 1 April 1996. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

For further details see the section headed "Taxation".

Mandatory redemption

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the applicable Priority of Payments, if and to the extent that on the immediately preceding Calculation Date, it is determined that there are sufficient Issuer Available Funds which may be applied for this purpose.

Optional redemption

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued but unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments, subject to the Issuer:

(i) giving not more than 60 days and not less than 30 days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes in accordance with Condition 16 (*Notices*); and

(ii) having produced, prior to the notice referred to in paragraph (i) above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

"**Clean Up Option Date**" means the Payment Date on which the Principal Outstanding Amount of the Senior Notes is equal or lower than 10% of the Principal Outstanding Amount of the Notes upon issue.

Optional redemption for taxation reasons

Provided that no Trigger Notice has been served on the Issuer, upon the imposition, at any time, of:

(i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

(ii) any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

and provided that the Issuer:

(a) has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) has produced evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments,

the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued and unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree number 239.

"**Tax Deduction**" means any deduction or withholding on account of Tax.

Final Maturity Date

Unless previously redeemed in full or cancelled, the Notes will be redeemed in full at their Principal Outstanding Amount (together with all accrued and unpaid interest thereon) on the Payment Date falling in December 2072 (the "**Final Maturity Date**").

Segregation of Issuer's Rights

The Issuer has no assets other than the Receivables and the Issuer's Rights as described in this Prospectus, as well as the portfolios acquired in the context of the Previous Securitisations and the agreements entered into by the Issuer in relation to the Previous Securitisations which, however, do not constitute collateral for the Notes and are not available to the Noteholders for any purpose.

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them (together, the "**Segregated Assets**") are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and the other Segregated

Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Portfolio and the other Segregated Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the other Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such powers.

For further details see the section headed: "Selected Aspects of Italian Law - Ring-fencing of the assets".

Trigger Events

If any of the following events occurs:

(a) *Non-payment*

(i) the Issuer defaults in the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or the amount of principal due and payable on the Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;

(ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

(b) *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

(c) *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to (a) above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(d) *Insolvency of the Issuer*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not 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 the Issuer or such proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment of 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 the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss

given by it in respect of any indebtedness or applies for suspension of payments; or

(iv) the Issuer 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; or

(e) *Winding up etc.*

an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer; or

(f) *Unlawfulness*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material in its sole discretion,

then the Representative of the Noteholders,

(1) in the case of a Trigger Event under items (a), (d) and (e) above, shall; and

(2) in the case of a Trigger Event under items (b), (c) and (f) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 12.3 is met, shall,

give a written notice to the Issuer declaring that the Notes have immediately become due and payable in full at their Principal Amount Outstanding, together with interest accrued and unpaid thereon and that thereafter the Post Enforcement Priority of Payments shall apply (a "**Trigger Notice**").

Non petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular:

(i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the

Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(ii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any previous and further securitisation (including the Previous Securitisations) undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an insolvency or similar proceeding in relation to the Issuer, unless a Trigger Notice has been served or an insolvency or similar proceeding has occurred and the Representative of the Noteholders, having become bound to do so, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

(iii) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

Limited recourse obligations of Issuer

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

(i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to, or *pari passu* with, sums payable to such Noteholder; and

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of

there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

The Organisation of the Noteholders

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed by the Initial Noteholders in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Rating

The Senior Notes are expected to be assigned the following ratings on the Issue Date:

Class	*DBRS*	*Moody's*
Class A Notes	AH (sf)	A1 (sf)

As of the date of this Prospectus, each of DBRS Ratings Limited ("**DBRS**") and Moody's Investors Service España, S.A ("**Moody's**") is established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**") and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA website (for the avoidance of doubt, such website does not constitute part of this Prospectus).

No rating will be assigned to the Class B Notes.

	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 organisation.
STS securitisation	The Securitisation is intended to qualify as a simple, transparent and standardised securitisation ("**STS Securitisation**") within the meaning of article 18 of Regulation (EU) No. 2402 of 12 December 2017 (the "**Securitisation Regulation**"). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and, after the Issue Date, is intended to be notified by the Originator to ESMA to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. No assurance can be provided that the Securitisation does or will continue to qualify as an STS securitisation under the Securitisation Regulation, the Regulation (EU) No. 575 of 26 June 2013, as amended (the "**CRR**") and/or the Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No. 575 of 26 June 2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the "**LCR Regulation**") as at the date of this Prospectus at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS Securitisation under the Securitisation Regulation, the CRR and/or the LCR Regulation at any point in time in the future.
Approval of the Prospectus, listing and admission to trading	This Prospectus has been approved by the CSSF as a prospectus issued in compliance with the Regulation (EU) No. 1129 of 14 June 2017, as subsequently amended and supplemented from time to time (the "**Prospectus Regulation**"). Application has been made for the Senior Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. The Issuer reserves the right to make an application for the Senior Notes to be listed on any other stock exchange and/or admitted to trading on any other regulated market or multilateral trading facility after the Issue Date. No application has been made to list or admit to trading the Junior Notes on any stock exchange.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. *For further details see the section headed "*Subscription, Sale and Selling Restrictions*".*
Governing Law	The Notes and any non-contractual obligations arising out thereof will be governed by, and shall be construed in accordance with, Italian Law.

Any dispute which may arise in relation to the Notes shall be subject to the exclusive jurisdiction of the court of Milan.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

On each Calculation Date, the available funds of the Issuer (the "**Issuer Available Funds**") in respect of the immediately following Payment Date are constituted by the aggregate of (without duplication):

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Accounts during the immediately preceding Collection Period;

(ii) all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Enforcement Priority of Payments (or, in the case of the First Payment Date, all amounts transferred on the Cash Reserve Account on the Issue Date);

(iii) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;

(iv) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(v) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(vi) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Investment Account on the Issue Date as issue price of the Notes in excess of the Initial Principal Portfolio;

(vii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection

Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

For the avoidance of doubts, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of any Payment Date shall also comprise any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

Senior Notes Principal Payment Amount

On each Calculation Date, the Calculation Agent will calculate the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date (the "**Senior Notes Principal Payment Amount**"), being the lesser of:

(i) the Principal Outstanding Amount of the Senior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Senior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount on such Payment Date.

Junior Notes Principal Payment Amount

On each Calculation Date, the Calculation Agent will calculate the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date (the "**Junior Notes Principal Payment Amount**"), being the lesser of:

(i) the Principal Outstanding Amount of the Junior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Junior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount less the Senior Notes Principal Payment Amount (if any) on such Payment Date.

Target Amortisation Amount

The Target Amortisation Amount, on each Payment Date, is an amount equal to the difference between: (A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, and (B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

"**Performing Outstanding Principal Portfolio**" means the Outstanding Principal of all Receivables contained in the Performing Portfolio.

"**Performing Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement which are not Defaulted Receivables as at such date.

Pre Enforcement Priority of Payments

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of an optional redemption of the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the "**Pre Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Corporate Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, and (b) to the credit the Issuer Disbursement Amount into the Expenses Account and the Issuer Retention Amount into the Corporate Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

Fourth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fifth, to credit to the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata*, on any Payment Date, (i) before the occurrence of a Pass-Through Condition, the Senior Notes Principal Payment Amount on the Senior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

Eleventh, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

Twelfth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

Post Enforcement Priority of Payments

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the "**Post Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer

(to the extent that amounts standing to the credit of the Corporate Account are insufficient to pay such taxes);

Second, if the relevant Trigger Event is not one of those listed under Conditions 12.1.4 or 12.1.5 (*Trigger Events*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, and (b) to credit the Issuer Disbursement Amount into the Expenses Account and the Issuer Retention Amount into the Corporate Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

Fourth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fifth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Sixth, to pay all amounts of interest due and payable on such Payment Date to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Tenth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount; and

Eleventh, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

"**Junior Notes Retained Amount**" means an amount equal to (a) 100,000 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

4. TRANSFER AND SERVICING OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest on the Senior Notes and interest and Additional Return on the Junior Notes and of repayment of principal on the Notes will be Collections made in respect of the Portfolio purchased on 25 September 2019 by the Issuer pursuant to the terms of the Receivables Purchase Agreement.

The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Debtors to pay amounts due under the Mortgage Loan Agreements, in accordance with the Securitisation Law and subject to the terms and conditions of the Receivables Purchase Agreement.

*For further details see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Receivables Purchase Agreement*".*

Servicing of the Portfolio

On 25 September 2019, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer, *inter alia*: (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, and (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables (including the management of the Receivables which are classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*)) on behalf of the Issuer in compliance with the Securitisation Law.

For further details see the section headed: "Description of the Transaction Documents – The Servicing Agreement".

5. CREDIT STRUCTURE

Cash Reserve

On or prior to the Issue Date, the Issuer has established a reserve fund in the Cash Reserve Account by applying the proceeds of the Subordinated Loan for an amount equal to Euro 133,000,000 (the "**Initial Cash Reserve**").

The amount standing to the credit of the Cash Reserve Account will form part of the Issuer Available Funds on each Payment Date on which the Pre Enforcement Priority of Payments is applied and, together with the other Issuer Available Funds, will be available for making the payments in accordance with the Pre Enforcement Priority of Payments.

On each Payment Date on which the Pre Enforcement Priority of Payments is applied, to the extent there are Issuer Available Funds applicable for that purpose, the Cash Reserve Account will be credited with an amount equal to the Cash Reserve Required Amount on such Payment Date in accordance with the Pre Enforcement Priority of Payments.

"**Cash Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to 2% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

Pass-Through Condition

Prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Pass-Through Condition occurs when the Default Ratio is higher than 8%.

"**Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, expressed as a percentage, obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the Effective Date and the immediately preceding Collection Date; by (B) the Initial Principal Portfolio.

Retention holder and retention requirements

The Originator will retain for the life of the transaction a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6(1) of the Securitisation Regulation in accordance with Article 6(3)(d) of the Securitisation Regulation (which does not take into account any corresponding national measures). As at the Issue Date, the Originator will meet this obligation by retaining an interest that constitute an interest in the first-loss tranche, being the Class B Notes, as required by the text of Article 6(3)(d) of the Securitisation Regulation.

Reporting Entity

Under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the

first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information:

(a) until the Data Repository is appointed by the Reporting Entity, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, (https://editor.eurodw.eu) (the "**Temporary Website**") (for the avoidance of doubt, such website does not constitute part of this Prospectus); and

(b) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository (as defined below).

"**Data Repository**" means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the Securitisation Regulation appointed in respect of the Securitisation.

For further details see the section headed "Regulatory Disclosure and Retention Undertaking".

6. THE TRANSACTION ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts. The Issuer undertakes to pay to or deposit, or cause to be paid to or deposited the following amounts in and out of such accounts:

Collection Account

(1) Collection Account

(a) *in:*

(i) the Collections received in relation to the Receivables comprised in the Portfolio in accordance with the provisions of the Servicing Agreement; and

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;

(b) *out*: on each Business Day any amounts standing to the credit of the Collection Account shall be transferred to the Investment Account.

Investment Account

(2) Investment Account

(a) *in:*

(i) all amounts transferred on each Business Day from the Collection Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) any amount paid by ISP in accordance with the provisions of the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement (if not to be credited on the Collection Account in accordance with the relevant Transaction Document);

(iii) the proceeds deriving from the sale, if any, of individual Receivables comprised in the Portfolio in accordance with the provisions of the Receivables Purchase Agreement;

(iv) the proceeds deriving from the sale of the Portfolio in accordance with the Transaction Documents;

(v) any amounts received by any third party under any Transaction Document and not allocated to any other Account in accordance with the provisions of clause 3.4 of the Cash Allocation, Management and Payments Agreement;

(vi) on the Business Day following the Issue Date, the difference between: (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio transferred from the Payment Account;

(vii) on the Business Day following each Payment Date, any amount transferred from the Payment Account, if any; and

(viii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Investment Account;

(b) *out:*

(i) two Business Days prior to each Payment Date, all amounts standing to the credit of the Investment Account as at the immediately preceding Collection Date shall be transferred to the Payment Account;

(ii) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of the Initial Principal Portfolio shall be transferred to the Payment Account;

(iii) on the Issue Date, an amount equal to Euro 65,000.00 shall be transferred to the Corporate Account; and

(iv) on the Issue Date, an amount equal to Euro 200,000.00 shall be transferred to the Expenses Account.

Payment Account

(3) Payment Account

(a) *in:*

(i) two Business Days prior to each Payment Date, the amounts transferred from the Investment Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payment Account;

(iii) pursuant to clause 3.4.4(b) of the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of an amount equal to the Initial Principal Portfolio transferred from the Investment Account;

(v) on the Issue Date, the proceeds deriving from the issue of the Notes; and

(vi) two Business Days prior to each Payment Date, all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account and the Corporate Account;

(b) *out*:

(i) on the Issue Date, the Purchase Price shall be paid to the Originator;

(ii) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the relevant Payments Report;

(iii) on the Business Day following each Payment Date, any residual amount, if any, shall be transferred to the Investment Account; and

(iv) on the Business Day following the Issue Date, the difference between (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio shall be transferred to the Investment Account.

Cash Reserve Account

(4) Cash Reserve Account

(a) *in:*

(i) on the Issue Date, an amount equal to the Initial Cash Reserve;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account;

(b) *out:*

(i) two Business Days before each Payment Date, including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full, any amounts standing to the

credit of the Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account.

Expenses Account

(5) Expenses Account

(a) in:

(i) on the Issue Date, an amount equal to Euro 200,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in March thereafter, the relevant Issuer Disbursement Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account shall be transferred to the Payment Account.

Corporate Account

(6) Corporate Account

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 65,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in March thereafter, the relevant Issuer Retention Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account shall be transferred to the Payment Account.

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and in the context of the issuance of the notes of the Previous Securitisations has opened certain bank accounts. The sums standing from time to time to the credit of such bank accounts will not be available to the Other Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

The Issuer has also opened with Intesa Sanpaolo S.p.A. a euro-denominated account (the "**Quota Capital Account**") into which the sum representing 100 per cent. of the Issuer's equity capital (equal to Euro 10,000) has been deposited and will remain deposited therein for so long as all notes issued (including those issued in the context of the Previous Securitisations) or to be issued by the Issuer (including the Notes) have been paid in full.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

Retention undertaking of the Originator

Under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless expressly permitted by article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) procure that any change to the manner in which such retained interest is held in accordance with paragraph (b) above will be notified to the Calculation Agent to be disclosed in the Investors Report; and

(d) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

Transparency requirements under the Securitisation Regulation

Under the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator as the reporting entity pursuant to article 7 of the Securitisation Regulation (the "**Reporting Entity**") and the Parties had acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information:

(a) until the Data Repository is appointed by the Reporting Entity, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, (https://editor.eurodw.eu) (the "**Temporary Website**") (for the avoidance of doubt, such website does not constitute part of this Prospectus); and

(b) after the Data Repository (as defined below) is appointed by the Reporting Entity, on the Data Repository (as defined below).

Under the Intercreditor Agreement, the Reporting Entity has represented to the other Parties that, as long as the Data Repository has not been appointed by the Reporting Entity, the Temporary Website:

(a) includes a well-functioning data quality control system;

(b) is subject to appropriate governance standards and to maintenance and operation of an adequate

organizational structure that ensures the continuity and orderly functioning of the Temporary Website;

(c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

(d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

(e) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the "**Data Repository**"). The Reporting Entity has agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

Under the Intercreditor Agreement, after the Data Repository is appointed:

(a) the Reporting Entity has undertaken to notify in writing the other Parties of the corporate name and relevant details of the Data Repository so appointed;

(b) the Parties, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(c) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

As to pre-pricing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing:

(A) through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under point (a) of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets (if available)) upon request and the information under

points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(B) on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, (i) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the relevant Parties have acknowledged and agreed as follows:

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significative Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significative Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

(d) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession),

in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Under the Intercreditor Agreement, the Originator, in its capacity as Reporting Entity, has undertaken to the Issuer and to the Representative of the Noteholders:

(a) to ensure that Noteholders and prospective investors (if any) have readily available access to (i) all information necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the Securitisation Regulation, which does not form part of this Prospectus as at the Issue Date but may be of assistance to prospective investors (if any) before investing; and (ii) any other information which is required to be disclosed to Noteholders and to prospective investors (if any) pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards;

(b) to ensure that the competent supervisory authorities pursuant to article 29 of the Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the Securitisation Regulation.

Under the Intercreditor Agreement, each of Securitisation Services (in any capacity) and the Issuer has undertaken to notify the Originator without undue delay any information set out under point (f) of the first subparagraph of article 7(1) of the Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (as the case may be) in order to allow the Originator to prepare the Inside Information and Significative Event Report.

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) has undertaken to provide the Reporting Entity with any further information which from time to time is required under the Securitisation Regulation that is not covered under the Intercreditor Agreement.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Chapter 2 of the Securitisation Regulation and any corresponding national measure which may be relevant and none of the Issuer, the Originator, the Servicer or any other party to the Transaction Documents or any other person makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

THE PORTFOLIO

Pursuant to the Receivables Purchase Agreement, the Issuer has purchased the Portfolio from the Originator together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payment of any of the Receivables.

The Receivables comprised in the Portfolio arise out of residential mortgage loans (*mutui fondiari o ipotecari non fondiari*) existing and classified as at the date of the execution of the Receivables Purchase Agreement as performing by the Originator.

All Receivables comprised in the Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the Criteria listed in the Receivables Purchase Agreement and repeated (following translation in English language) in this Prospectus (see the section headed "*The Criteria*", below).

The Receivables do not and may not consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives.

As at the Effective Date, the nominal value (including, *inter alia*, principal and accrued interest) of all Receivables comprised in the Portfolio amounted to Euro 7,519,057,502.98 whilst the Initial Principal Portfolio amounted to Euro 7,509,435,056.42.

The Receivables comprised in the Portfolio arise from Mortgage Loans having an amortization plan which ends not later than 15 December 2072.

The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at the Effective Date.

The Criteria

The Receivables assigned by Intesa Sanpaolo S.p.A. (the "**Originator**" or "**ISP**") to Brera Sec S.r.l. arise out of Mortgage Loans which, at the Cut-Off Date and/or at the different date indicated in the relevant criteria, met the following criteria (to be considered as cumulative where not otherwise provided) (the "**Criteria**") (such Receivables are listed in an electronic register available for consultation starting from 25 September 2019 in any ISP branch, upon request of the relevant Debtors):

(a) receivables arising from residential mortgage loans (*contratti di mutuo fondiario o ipotecario non fondiario*) which are governed by Italian Law;

(b) each receivable represents all the claims by the Originator arising from the respective loan agreement;

(c) receivables arising from loan agreements entered into by: (1) ISP; or (2) Banca Cassa di Risparmio di Firenze S.p.A. which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (3) Banco di Napoli S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (4) Cassa di Risparmio in Bologna S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (5) Cassa di Risparmio del Veneto S.p.A., which was taken over by ISP as legal successor from 23 July 2018, as result of a merger; or (6) Banca di Credito Sardo S.p.A., which

was taken over by Intesa Sanpaolo as legal successor from 10 November 2014, as result of a merger; or (7) Banca dell'Adriatico S.p.A., which was taken over by ISP as legal successor from 16 May 2016, as result of a merger; or (8) Cassa di Risparmio di Pistoia e della Lucchesia S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (9) Cassa di Risparmio di Venezia S.p.A., which was taken over by ISP as legal successor from 10 November 2014, as result of a merger; or (10) Cassa dei Risparmi di Forlì e della Romagna S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (11) Banca di Trento e Bolzano S.p.A., which was taken over by ISP as legal successor from 20 July 2015 following a merger; or (12) Cassa di Risparmio di Viterbo S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 November 2015; or (13) Cassa di Risparmio di Rieti S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 November 2015; or (14) Cassa di Risparmio dell'Umbria S.p.A. which was taken over by ISP as universal successor, as result of a merger from 21 November 2016; or (15) Cassa di Risparmio del Friuli Venezia Giulia S.p.A. which was taken over by ISP as universal successor, as result of a merger from 23 July 2018;

(d) receivables arising from loans which are fully disbursed and that shall not envisage any further disbursement obligations;

(e) receivables not arising from loans which have been divided into quotas with the corresponding division of the security building (*immobile cauzionale*) and the mortgage (split loan);

(f) receivables arising from loans secured with an economic first-ranking mortgage on residential real estates located in Italy;

(g) receivables which do not arise from mortgage loans (i) on residential real estates located in areas included in the Province of Bolzano; or (ii) in relation to which no mortgage has been entered on such province property register;

(h) receivables owed by debtors that, according to the classification criteria provided by Bank of Italy with circular 140 of 11 February 1991 as subsequently amended, belong to the category of SAE (*Settore di Attività Economica*) 600 relating to consumer families resident in Italy, as can be shown by available information for debtors at any Originator's branch;

(i) receivables arising from loans whose guarantors are natural persons resident within the European Economic Area or are legal persons incorporated under the laws of a country within the European Economic Area and having their registered office within the European Economic Area;

(j) receivables that, as of the Cut-Off Date and 25 September 2019, are not classified as "*sofferenza*" or "*inadempienza probabile*" or "*esposizioni scadute*" and/or "*sconfinanti deteriorate*" as defined in accordance to the Supervisory Authority's provisions of Bank of Italy, as can be shown by available information for debtors at any Originator's branch;

(k) receivables that, as of the Cut-Off Date and 25 September 2019, are not arising from loans that are subject or has been subject to concessions (so-called "*forbearance*", as defined in accordance to the Supervisory Authority's provisions of Bank of Italy) as can be shown by available information for debtors at any Originator's branch;

(l) the debtors of the related loans, as from 1 May 2009, have never been classified as non-performing, as defined in the Supervisory Authority's provisions of Bank of Italy;

(m) the guarantors of the related loans, as from 1 May 2009, have never been classified as non-performing, as defined in the Supervisory Authority's provisions of Bank of Italy;

(n) receivables arising from loans that have not been granted by using third parties' funds;

(o) receivables arising from loans whose the debtors are not benefiting or have never benefited from suspension of payments provided by the fund established in accordance to Italian Law number 244 of 24 December 2007 for families in difficulty (so called "*Fondo Gasparrini*");

(p) receivables arising from loans which have never been renegotiated in accordance to article 3 of Italian Law number 126 of 24 July 2008 (so called "*Convenzione ABI-MEF*");

(q) receivables arising from loans denominated in Euro;

(r) receivables arising from loans that have not been granted for the purpose of consolidating credit exposure;

(s) receivables arising from loans which do not provide for any subsidy or other benefits in relation to principal or interests;

(t) receivables not arising from loans which have been entered in the context of conventions with private and/or public subjects or with national/ supranational entities, in accordance to which the lending bank has financed the disbursement of loans to particular debtor's classes or at special interest rates;

(u) receivables are not arising from syndicated loans;

(v) receivables not deriving from loans whose debtors are employees of companies of the Intesa Sanpaolo Group - including "exodus" subjects (*soggetti "esodati"*) (i.e. those who interrupted their employment relationship as a result of company agreements, but which are not yet entitled to retirement due to an increase in the retirement age or a change in requirements to access the pension benefits) of the same Group - or belong to the retired personnel of the same Group or in joint ownership with them;

(w) receivables not deriving from loans held by debtors who, as of 27 December 2017, were employees of Infogroup S.c.p.A. or who are in joint ownership with the same and who enjoy special preferential conditions reserved to employees of the Intesa Sanpaolo Group;

(x) receivables arising from loans which do provide for the option to require the disbursement of an additional funding source within 12 months from the signing of the mortgage loan agreement (so called "*Finanziamento-up*") in the event the option has been already exercised or it can not be exercised anymore;

(y) receivables arising from loan agreements which do not benefit from the total or partial suspension of payments due following the exercise of faculties provided by rules in favour of population affected by natural disasters;

(z) receivables arising from loans which provides for the repayment of instalments on a monthly basis;

(aa) receivables which do not arise from loans providing for an amortisation plan based on a variable duration depending on the interest rate and a constant instalment (including the possibility to recalculate the same);

(bb) receivables arising from loans in relation to which the principal will not be fully repaid in one instalment;

(cc) receivables which do not arise from loans having a flexible amortisation plan, in relation to which the repayment of principal instalments must be carried out within the established expiry dates (instead on the occasion of the repayment of each instalment contractually provided for the repayment of interests), since the debtor has the faculty to decide the frequency and the amount of payments of principal, in terms of compliance with the repayment obligation within the above expiry dates (so called loans "*Domus Flex*" or "*Domus libero*");

(dd) receivables arising from loan agreements executed after 31 December 2010 in relation to which the relevant loan has been granted between 1 January 2015 and 31 May 2019 (included);

(ee) receivables arising from loans in relation to which the end of the amortisation plan is subsequent to 30 December 2019;

(ff) receivables arising from loans in relation to which the amortization plan will be commenced before 1 January 2020;

(gg) receivables arising from loans in relation to which the residual principal (excluding of any eventual arrears) is not lesser than Euro 10,000;

(hh) receivables arising from loans which have no amount in arrears due and unpaid for any reason (included default interests and expenses, if any) by the relevant debtor lasting for more than 30 days;

(ii) receivables arising from loans based on a single or dual arrangement of amortisation, which are:

(i) fixed rate not lesser than 0,70% and with a due date instalment between the 1st and 15th day of the month; or

(ii) floating rate with contractual spread (net of possible exemptions agreed between the bank and the debtor) not lower of the 0.50% and rate indexed precisely to;

(1) to one month Euribor with 360 base of calculation and fixed the last but one business day of the month preceding that one of validity; or

(2) MRO (Main Refinancing Operations) rate, calculated on the basis of 360 and recorded on the penultimate working day of the month preceding the month of validity;

(jj) receivables arising from loans which, if the relative loan agreement provides for the option of change from floating rate to fixed rate or vice versa exercisable more than once during the course of the contract (this product is known as "*multi-option*"), having the instalment due on the first

day of the relevant month, option of change of the interest rate every 3 or 5 years and when at floating rate, are indexed to one month Euribor with 360 base of calculation, fixed the last but one business day of the month preceding that one of validity;

(kk) receivables not arising from loans in relation to which is provided the change (optional or contractual) of the interest rate from floating rate to fixed rate and vice versa, exercisable only once during the course of the contract (so called product "*mono-opzione*");

(ll) receivables not arising from floating rate loans which provide that, even for the first part of the life of the loan, the interest rate does not exceed a certain threshold (maximum permitted rate or "*cap*");

(mm) receivables not arising from floating rate loans that provide that the interest rate does not fall below a certain threshold (minimum rate allowed or "*floor*").

Characteristics of the Portfolio

The Mortgage Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables. The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer. The information in the following tables represents the characteristics of the Portfolio at the Cut-Off Date whilst the reported Current Outstanding Amount reflects the position of the Portfolio as at the Effective Date.

Data as of CutOff Date, apart from the Current Oustanding Amount that has been updated as of Effective Date

	Unit of Measurement	**Intesa Sanpaolo Spa**
Number of Loans	#	67,411
Current Principal Balance	Eur	7,509,435,056.42
Number of Borrowers	#	65,899
Avg. Current Principal Balance	Eur	111,397.77
Max Current Principal Balance	Eur	4,384,347.54
Min Current Principal Balance	Eur	1,054.76
Original Principal Balance	Eur	7,840,755,709.99
Avg. Original Principal Balance	Eur	116,312.70
Max Original Principal Balance	Eur	4,640,000.00
Min Original Principal Balance	Eur	10,000.00
WA Seasoning	Months	13.45
WA Remaining Term	Months	277.80
WA Maturity	Months	291.25
Current Principal Balance of Fixed Interest Rate loans	%	88.71
Current Principal Balance of Floating Interest Rate loans	%	10.08
Current Principal Balance of Interest Rate Switchable loans	%	1.21
WA Coupon of fixed loans	%	2.27
WA Spread of floating loans	bps	169.31
WA Coupon of interest rate switchable loans - currently fixed	%	2.93
WA Spread of interest rate switchable loans - currently floating	bps	202.24
WA OLTV	%	67.58
WA CLTV	%	65.15
Top 1 Borrower Group	%	0.0584
Top 10 Borrower Groups	%	0.2715
Top 20 Borrower Groups	%	0.4303

Table 1) Breakdown of the Portfolio by Original Outstanding Amount*

** Upper bound of each bucket is intended as excluded*

Range (Eur)	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
0-25000	3,577,033.87	0.05%	179	0.27%	3,426,703.43	0.05%
25000-50000	196,490,138.45	2.51%	4,882	7.24%	186,154,689.09	2.48%
50000-75000	795,164,151.81	10.14%	12,848	19.06%	754,171,168.03	10.04%
75000-100000	1,127,690,977.42	14.38%	13,017	19.31%	1,078,724,906.04	14.36%
100000-125000	1,476,759,166.69	18.83%	13,323	19.76%	1,418,815,399.01	18.89%
125000-150000	1,176,204,567.24	15.00%	8,640	12.82%	1,133,732,468.32	15.10%
150000-175000	927,574,511.71	11.83%	5,807	8.61%	890,766,640.79	11.86%
175000-200000	571,973,825.54	7.29%	3,089	4.58%	549,579,143.87	7.32%
200000-225000	464,826,158.25	5.93%	2,225	3.30%	444,794,557.63	5.92%
225000-250000	230,668,488.04	2.94%	977	1.45%	220,691,235.49	2.94%
250000-275000	189,444,817.84	2.42%	731	1.08%	181,460,253.35	2.42%
275000-300000	106,856,643.65	1.36%	375	0.56%	101,878,515.55	1.36%
300000-500000	376,326,156.71	4.80%	1,054	1.56%	358,764,158.55	4.78%
500000-1000000	149,369,965.90	1.91%	231	0.34%	141,234,521.60	1.88%
>1000000	47,829,106.87	0.61%	33	0.05%	45,240,695.67	0.60%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100%**	**7,509,435,056.42**	**100%**

Table 2) Breakdown of the Portfolio by Current Outstanding Amount*

** Upper bound of each bucket is intended as excluded*

Range (Eur)	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
0-25000	9,192,470.70	0.12%	298	0.44%	5,996,256.75	0.08%
25000-50000	319,662,758.06	4.08%	7074	10.49%	289,754,047.74	3.86%
50000-75000	866,893,434.39	11.06%	12927	19.18%	813,143,328.69	10.83%
75000-100000	1,314,825,827.16	16.77%	14290	21.20%	1,256,467,850.99	16.73%
100000-125000	1,365,990,145.99	17.42%	11716	17.38%	1,314,207,722.18	17.50%
125000-150000	1,238,939,580.91	15.80%	8747	12.98%	1,197,127,612.65	15.94%
150000-175000	793,654,647.09	10.12%	4754	7.05%	767,263,970.90	10.22%
175000-200000	599,167,576.24	7.64%	3098	4.60%	579,425,374.00	7.72%
200000-225000	332,400,195.96	4.24%	1519	2.25%	321,175,473.39	4.28%
225000-250000	237,997,735.13	3.04%	972	1.44%	230,397,376.81	3.07%
250000-275000	152,497,855.99	1.94%	562	0.83%	147,084,093.31	1.96%
275000-300000	120,941,819.34	1.54%	406	0.60%	116,706,233.17	1.55%
300000-500000	316,923,833.94	4.04%	832	1.23%	305,633,812.58	4.07%
500000-1000000	127,142,257.49	1.62%	186	0.28%	122,180,541.34	1.63%
>1000000	44,525,571.60	0.57%	30	0.04%	42,871,361.92	0.57%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 3) Breakdown of the Portfolio by Loan to Value

	OLTV		CLTV	
Range	**Original Outstanding Amount**	**% of Original Outstanding Amount**	**Current Outstanding Amount**	**% of Current Outstanding Amount**
0-0,1	7,558,076.05	0.10%	9,832,374.53	0.13%
0,1-0,2	73,112,818.78	0.93%	93,144,559.38	1.24%

0,2-0,3	230,697,536.26	2.94%	258,110,895.28	3.44%
0,3-0,4	428,572,113.08	5.47%	475,111,737.49	6.33%
0,4-0,5	844,503,511.57	10.77%	824,189,962.59	10.98%
0,5-0,6	743,474,828.59	9.48%	782,334,951.33	10.42%
0,6-0,7	1,320,089,559.22	16.84%	1,311,082,856.06	17.46%
0,7-0,8	3,055,584,113.71	38.97%	2,772,527,882.48	36.92%
>0,8	1,137,163,152.73	14.50%	983,099,837.28	13.09%
Total	**7,840,755,709.99**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 4) Breakdown of the Portfolio by Property Location

Geographic Area	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
Lombardia	1,557,068,806.40	19.86%	12,331	18.29%	1,496,408,540.03	19.93%
Emilia Romagna	817,285,218.38	10.42%	7,107	10.54%	779,488,721.66	10.38%
Veneto	607,492,500.79	7.75%	5,161	7.66%	581,410,112.64	7.74%
Piemonte	545,610,684.89	6.96%	5,106	7.57%	522,839,913.00	6.96%
Friuli Venezia Giulia	226,127,095.86	2.88%	2,186	3.24%	213,958,871.94	2.85%
Liguria	222,472,248.59	2.84%	2,007	2.98%	213,688,543.14	2.85%
Trentino Alto Adige	49,197,873.38	0.63%	365	0.54%	46,288,399.60	0.62%
Valle d'Aosta	27,047,418.61	0.34%	200	0.30%	26,077,590.50	0.35%
Total North	**4,052,301,846.90**	**51.68%**	**34,463**	**51.12%**	**3,880,160,692.51**	**51.67%**
Toscana	1,242,951,847.67	15.85%	10,254	15.21%	1,182,914,315.22	15.75%
Lazio	782,579,543.35	9.98%	5,594	8.30%	753,782,980.80	10.04%
Marche	149,812,400.64	1.91%	1,445	2.14%	144,010,574.66	1.92%
Umbria	146,036,458.97	1.86%	1,520	2.25%	138,781,833.92	1.85%
Abruzzo	98,932,096.98	1.26%	1,059	1.57%	94,780,852.57	1.26%
Total Centre	**2,420,312,347.61**	**30.87%**	**19,872**	**29.48%**	**2,314,270,557.17**	**30.82%**
Campania	548,550,258.03	7.00%	4,729	7.02%	526,991,969.20	7.02%
Puglia	376,391,593.85	4.80%	3,907	5.80%	362,201,440.16	4.82%
Sicilia	192,015,101.96	2.45%	1,955	2.90%	184,835,632.87	2.46%
Sardegna	161,962,520.06	2.07%	1,509	2.24%	155,193,279.62	2.07%
Calabria	57,236,756.66	0.73%	623	0.92%	55,038,745.43	0.73%
Basilicata	16,003,360.00	0.20%	170	0.25%	15,460,708.33	0.21%
Molise	15,981,924.92	0.20%	183	0.27%	15,282,031.13	0.20%
Total South	**1,368,141,515.48**	**17.45%**	**13,076**	**19.40%**	**1,315,003,806.74**	**17.51%**
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 5) Breakdown of the Portfolio by Months of Seasoning

Months	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
0-12	4,315,933,423.37	55.04%	37,566	55.73%	4,216,567,264.58	56.15%
12-24	2,536,651,002.52	32.35%	21,460	31.83%	2,391,485,519.18	31.85%
24-36	780,180,495.29	9.95%	6,682	9.91%	713,727,696.13	9.50%
36-48	157,278,946.59	2.01%	1,282	1.90%	142,346,106.10	1.90%
>48	50,711,842.22	0.65%	421	0.62%	45,308,470.43	0.60%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 6) Breakdown of the Portfolio by Years of Residual Maturity

Years	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
0-5	8,502,695.60	0.11%	134	0.20%	6,058,366.30	0.08%
5-10	489,981,684.64	6.25%	6,386	9.47%	443,105,218.84	5.90%
10-15	926,309,712.65	11.81%	10,390	15.41%	869,211,032.25	11.57%
15-20	1,787,033,330.88	22.79%	16,027	23.78%	1,702,339,808.01	22.67%
20-25	1,594,168,910.29	20.33%	12,808	19.00%	1,534,064,594.45	20.43%
25-30	2,189,261,489.17	27.92%	15,701	23.29%	2,119,605,337.03	28.23%
>30	845,497,886.76	10.78%	5,965	8.85%	835,050,699.54	11.12%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 7) Breakdown of the Portfolio by Years of Original Maturity

Years	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
5-10	23,081,739.43	0.29%	367	0.54%	19,337,475.54	0.26%
10-15	476,506,114.67	6.08%	6,165	9.15%	430,872,400.60	5.74%
15-20	925,563,362.14	11.80%	10,381	15.40%	868,391,335.73	11.56%
20-25	1,936,079,290.52	24.69%	17,420	25.84%	1,849,293,734.94	24.63%
25-30	1,642,314,763.55	20.95%	13,038	19.34%	1,582,843,329.84	21.08%
30-35	2,575,556,989.79	32.85%	18,261	27.09%	2,501,873,364.74	33.32%
>35	261,653,449.89	3.34%	1,779	2.64%	256,823,415.03	3.42%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 8) Breakdown of thel Portfolio by Interest rate Type

Interest rate Type	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
Fixed	6,942,287,254.70	88.54%	61,295	90.93%	6,661,832,253.33	88.71%
Floating	802,522,333.95	10.24%	5,443	8.07%	756,678,559.43	10.08%
Interest Rate Switchable Loans - currently floating	91,424,434.33	1.17%	631	0.94%	86,656,318.54	1.15%
Interest Rate Switchable Loans - currently fixed	4,521,687.01	0.06%	42	0.06%	4,267,925.12	0.06%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 9) Breakdown of the Portfolio by Current Interest Rate Margin*

Range (bps)	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
50-100	96,806,208.71	10.83%	644	10.60%	90,979,413.29	10.79%
100-150	425,694,470.47	47.62%	2,877	47.37%	400,266,356.50	47.46%
150-200	88,356,580.44	9.88%	526	8.66%	83,346,311.41	9.88%
200-250	62,189,445.29	6.96%	426	7.01%	57,514,934.92	6.82%
250-300	192,184,386.60	21.50%	1,369	22.54%	183,957,869.51	21.81%
300-350	25,209,563.74	2.82%	193	3.18%	23,971,986.04	2.84%
>350	3,506,113.03	0.39%	39	0.64%	3,298,006.30	0.39%
Total	**893,946,768.28**	**100.00%**	**6,074**	**100.00%**	**843,334,877.97**	**100.00%**

**Interest Rate Switchable - currently floating are included*

Table 10) Breakdown of the Portfolio by Current Interest Rate Coupon*

Range (%)	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
0,7-1	83,050,464.82	1.20%	1,078	1.76%	72,903,678.17	1.09%
1-1,5	390,787,588.20	5.63%	4,355	7.10%	350,555,168.14	5.26%
1,5-2	2,623,685,010.37	37.77%	24,150	39.37%	2,496,121,875.20	37.45%
2-2,5	2,732,992,980.68	39.34%	22,139	36.09%	2,662,362,318.65	39.94%
2,5-3	444,352,729.03	6.40%	3,435	5.60%	434,513,933.07	6.52%
3-3,5	41,193,353.05	0.59%	352	0.57%	39,618,585.33	0.59%
3,5-4	387,390,325.96	5.58%	3,557	5.80%	374,688,838.13	5.62%
4-4,5	232,712,785.38	3.35%	2,148	3.50%	225,106,772.17	3.38%
4,5-5	10,277,300.72	0.15%	118	0.19%	9,912,638.66	0.15%
>5	366,403.50	0.01%	5	0.01%	316,370.93	0.00%
Total	**6,946,808,941.71**	**100.00%**	**61,337**	**100.00%**	**6,666,100,178.45**	**100.00%**

**Interest Rate Switchable - currently fixed are included*

Table 11) Breakdown of the Portfolio by Amortization Type

Amortization Type	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
French	7,840,491,709.99	99.997%	67,410	99.999%	7,509,214,282.16	99.997%
Other	264,000.00	0.003%	1	0.001%	220,774.26	0.003%
Total	**7,840,755,709.99**	**100%**	**67,411**	**100%**	**7,509,435,056.42**	**100%**

Table 12) Breakdown of the Portfolio by Payment Frequency

Payment Frequency	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
Monthly	7,840,755,709.99	100.00%	67,411	100.00%	7,509,435,056.42	100.00%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 13) Breakdown of the Portfolio by Origination Year

Origination Year	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
2015	79,955,957.60	1.02%	647	0.96%	71,719,327.54	0.96%
2016	236,420,480.73	3.02%	2,004	2.97%	211,420,011.19	2.82%
2017	939,460,798.41	11.98%	8,042	11.93%	868,614,202.71	11.57%
2018	3,707,462,776.11	47.28%	31,148	46.21%	3,531,129,509.93	47.02%
2019	2,877,455,697.14	36.70%	25,570	37.93%	2,826,552,005.05	37.64%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Table 14) Breakdown of the Portfolio by Economic Sector (SAE- Settore di Attività Economica, as classified in accordance with the SAE criteria issued by the Bank of Italy)

SAE	Original Outstanding Amount	% of Original Outstanding Amount	No of Mortgage Loans	% of No of Mortgage Loans	Current Outstanding Amount	% of Current Outstanding Amount
600	7,840,755,709.99	100.00%	67,411	100.00%	7,509,435,056.42	100.00%
Total	**7,840,755,709.99**	**100.00%**	**67,411**	**100.00%**	**7,509,435,056.42**	**100.00%**

Capacity to produce funds

The Receivables included in the Portfolio have the characteristics that demonstrate capacity to produce funds to serve payments of amounts due and payable on the Notes. However, neither the Originator nor the Issuer warrant the solvency (credit standing) of any or all of the Debtor(s).

Pool Audit

Pursuant to article 22(2) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found.

THE ORIGINATOR, THE SERVICER, THE ADMINISTRATIVE SERVICES PROVIDER, THE PAYING AGENT AND THE ACCOUNT BANK

History and organisation of the Intesa Sanpaolo Group

Intesa Sanpaolo Origins

Intesa Sanpaolo is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. (effective 1 January 2007).

Banca Intesa S.p.A.

Banca Intesa S.p.A. ("**Banca Intesa**") was originally established in 1925 under the name of "*La Centrale*" and invested in the business of the production and distribution of electricity. After the nationalisation of companies in this sector in the early 1960s the company changed its name to "*La Centrale Finanziaria Generale*", acquiring equity investments in various companies in the banking, insurance and publishing sector. The company merged by incorporation with Nuovo Banco Ambrosiano in 1985 and assumed its name and constitutional objects. Following the acquisition of Cassa di Risparmio delle Provincie Lombarde S.p.A. in January 1998, the Intesa Sanpaolo Group's name was changed to Gruppo Banca Intesa. Then, in 2001, Banca Commerciale Italiana S.p.A. was merged into the Gruppo Banca Intesa and the group's name was changed to "Banca Intesa Banca Commerciale Italiana S.p.A.". On 1 January 2003, the corporate name was changed to "Banca Intesa S.p.A.".

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. ("**Sanpaolo IMI**") was formed in 1998 through the merger of Istituto Mobiliare Italiano S.p.A. ("*IMI*") with and into Istituto Bancario San Paolo di Torino S.p.A. ("*Sanpaolo*").

Sanpaolo originated from the "*Compagnia di San Paolo*" brotherhood, which was set up in 1563 to help the needy. The "*Compagnia di San Paolo*" began undertaking credit activities and progressively developed into a banking institution during the nineteenth century, becoming a public law credit institution (*Istituto di Credito di Diritto Pubblico*) in 1932. Between 1960 and 1990, Sanpaolo expanded its network nationwide through a number of acquisitions of local banks and medium-sized regional banks, ultimately reaching the level of a multifunctional group of national importance in 1991 after its acquisition of Crediop. On 31 December 1991, Sanpaolo became a stock corporation (*società per azioni*) with the name "*Istituto Bancario San Paolo di Torino Società per azioni*".

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a joint stock corporation (*società per azioni*) in 1991.

The merger between Banca Intesa and Sanpaolo IMI and the creation of Intesa Sanpaolo S.p.A.

The boards of directors of Banca Intesa and Sanpaolo IMI unanimously approved the merger of Sanpaolo IMI with Banca Intesa on 12 October 2006 and the merger became effective on 1 January 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

Legal status

Intesa Sanpaolo is a company limited by shares, incorporated in 1925 under the laws of Italy and registered with the Companies' Registry of Turin under registration number 00799960158. It is also registered on the National Register of Banks under No. 5361 and is the parent company of "*Gruppo Intesa Sanpaolo*".

Registered office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan.

Objects

The objects of Intesa Sanpaolo are deposit-taking and the carrying on of all forms of lending activities, including through its subsidiaries. Intesa Sanpaolo may also, in compliance with laws and regulations applicable from time to time and subject to obtaining the required authorisations, provide all banking and financial services, including the establishment and management of open-ended and closed-ended supplementary pension schemes, as well as the performance of any other transactions that are incidental to, or connected with, the achievement of its objects.

Intesa Sanpaolo's business has included, for more than five years, the originating of exposures similar to the Receivables (in accordance with the requirements set out by article 20(10) of Regulation (EU) 2017/2402).

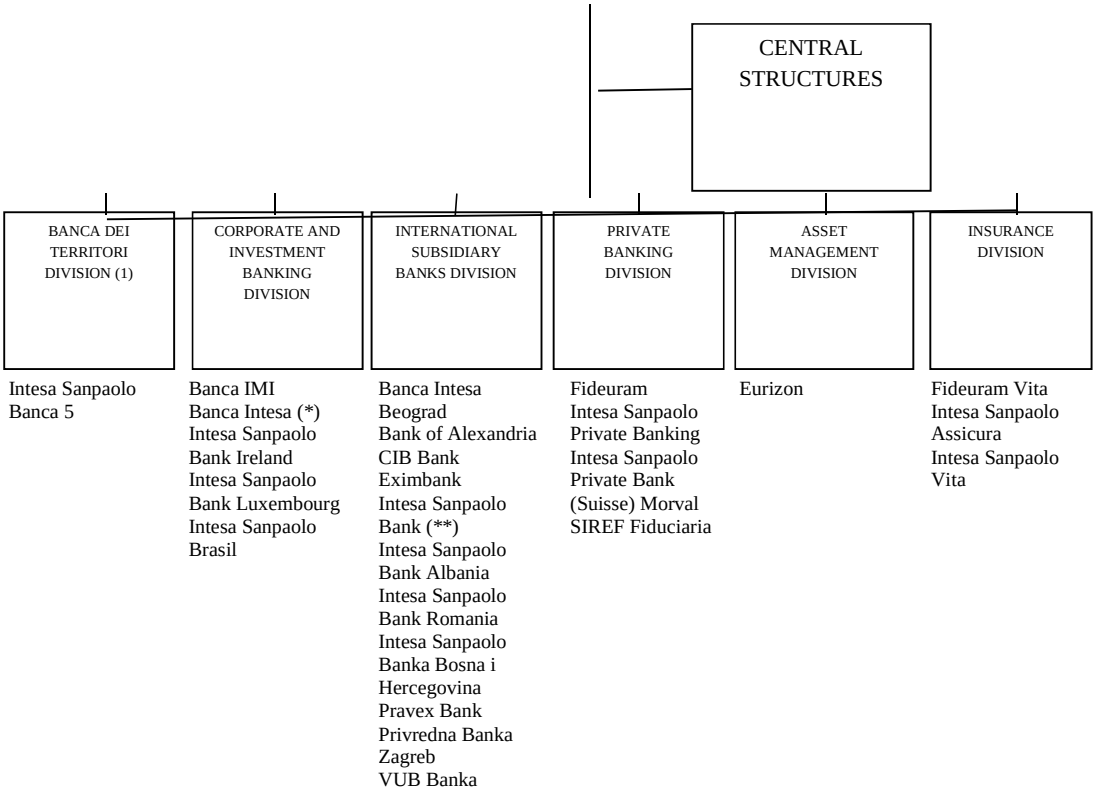
In addition to the abovementioned activities, Intesa Sanpaolo actively manages, collects and recovers the residential mortgage loans granted to its customers.

Furthermore, since 2000 Intesa Sanpaolo, in its capacity as servicer, has been carrying out the above-mentioned servicing activities in relation to the residential mortgage loan receivables securitised in the context of previous securitisation transactions and thus developing a deep expertise in the management of this type of receivables (in accordance with the requirements set out by article 21(8) of Regulation (EU) 2017/2402).

Share capital

As at 11 September 2019, Intesa Sanpaolo's issued and paid-up share capital amounted to Euro 9,085,663,010.32, divided into 17,509,728,425 ordinary shares without nominal value. Since 11 September 2019, there has been no change to Intesa Sanpaolo's share capital.

Organisational structure



(1) *Domestic commercial banking*
(*) *Russian Federation*
(**) *Slovenia*

The Intesa Sanpaolo Group, with 11.8 million customers and approximately 3.900 branches in Italy, is the country's leading banking group. It is also one of the top banking groups in Europe.

The Intesa Sanpaolo Group is the leading provider of financial products and services to both households and businesses in Italy.

The Group has a strategic international presence, with approximately 1,100 branches and 7.2 million customers.It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa, through its local subsidiary banks: the Intesa Sanpaolo Group ranks first in Serbia, second in Croatia and Slovakia, fourth in Albania, fifth in Moldova, Bosnia and Herzegovina and Egypt, sixth in Slovenia and Hungary .

The Intesa Sanpaolo Group operates through six divisions:

a) The **Banca dei Territori division**: focus on the market and centrality of the territory for stronger relations with individuals, small and medium-sized businesses and non-profit entities. The

division includes the activities in industrial credit, leasing and factoring and - through Banca 5 – in instant bankink.

b) The **Corporate and Investment Banking division**: a global partner which supports, taking a medium-long term view, the balanced and sustainable development of corporates and financial institutions both nationally and internationally. Its main activities include capital markets and investment banking carried out through Banca IMI. The division is present in 25 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices and subsidiary banks focused on corporate banking. The division operates in the public finance sector as a global partner for public administration.

c) The **International Subsidiary Banks division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.

d) The **Private Banking division**: serves the customer segment consisting of private clients and High Net-Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking, with about 5,942 private bankers.

e) The **Asset Management division**: provides asset management solutions targeted at the Intesa Sanpaolo Group's customers, commercial networks outside the Intesa Sanpaolo Group, and the institutional clientele. The division includes Eurizon SGR, with Euro 252 billion of assets under management.

f) The **Insurance division**: insurance and pension products tailored for the Intesa Sanpaolo Group's clients. The division includes Intesa Sanpaolo Vita, Fideuram Vita and Intesa Sanpaolo Assicura with direct deposits and technical reserves of approximately Euro 158 billion.

Intesa Sanpaolo in the last two years – Highlights

Intesa Sanpaolo in 2018 – Highlights

On 10 January 2018 Intesa Sanpaolo communicated that the Bank is considering strategic options involving the NPL servicing activity, that include a disposal of a bad loan portfolio of the Group, as part of the upcoming business plan.

Such options do not modify the commitment of Intesa Sanpaolo to distribute €3.4 billion cash dividends for 2017, which is confirmed.

At a meeting of the Board of Directors of Intesa Sanpaolo on 6 February 2018, the Board of Directors of Intesa Sanpaolo, decided to submit, alongside its approval of the Group's 2018-2021 business plan, a long-term incentive plan (the "Incentive Plan") for the approval of shareholders, who will be summoned to the meeting scheduled for 27 April 2018. The Incentive Plan is based on Intesa Sanpaolo S.p.A. financial instruments and is reserved for all Group employees in Italy. The Incentive Plan is a

tool facilitating a broad-based shareholding in the capital of the Bank, aimed at enhancing the role of employees as key enablers in the achievement of the business plan's results.

The Incentive Plan consists of two systems:

with regard to top management, risk takers and key managers, it provides for the assignment of equity call options on Intesa Sanpaolo ordinary shares (POP – Performance-based Option Plan);

with regard to all the other Group employees, it provides for:

i) the assignment of new ordinary shares of Intesa Sanpaolo deriving from a share capital increase without payment and, as an alternative choice for employees,

ii) the opportunity to subscribe to an Investment Plan in a certain proportion to the number of shares received free of charge.

This Incentive Plan is based on new Intesa Sanpaolo ordinary shares deriving from a capital increase with payment, reserved for employees and at a discounted issue price (LECOIP 2.0 – Leveraged Employee Co-Investment Plan).

In detail, the POP Incentive Plan stipulates that performance conditions must be applied for incentives to be actually awarded, in relation to specific key objectives to be achieved over the course of the business plan. It does not envisage any protection of the initial assignment to the employee.

The related documentation will be made available to shareholders and the public in accordance with regulations in force and within the period of time provided by law.

The Incentive Plan is subject to authorisations being received from the competent authorities.

Assuming all employees subscribe to the Incentive Plan, the total number of ordinary shares to be issued in the capital increase without payment and in the capital increase with payment is estimated to be equal to a maximum number representing around 3.5% of the ordinary share capital following the increase and 3.4% of the total share capital (comprising the ordinary shares and the savings shares) of Intesa Sanpaolo following the increase[(1)].The Board of Directors of Intesa Sanpaolo announced that as of 6 February 2018 it has resolved, concurrently with the approval of the 2018-2021 business plan, to submit to the shareholders' meeting a proposal for the mandatory conversion of savings shares of Intesa Sanpaolo into ordinary shares of Intesa Sanpaolo, on the basis of a conversion ratio of 1.04 ordinary shares per each savings share, without any payment of cash adjustments (the "Conversion") and along with the concurrent removal from the Articles of Association of the nominal value indication with regard to the Bank's shares.

Therefore, the Board of Directors has called the extraordinary shareholders' meeting, on single call, to take place on 27 April 2018, at the new headquarters in Turin, with entrance in Corso Inghilterra No. 3, at 10:00 of 27 April 2018, in order to resolve upon the following item of the agenda:

([1])Assuming a market share price of euro 3 and a subscription discount for the discounted shares of 11%. This is a provisional estimate, given that the impact will only be determined upon the assignment of the Incentive Plan.

Mandatory Conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association.

Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.

The Board of Directors has also called the special meeting of savings shareholders, on single call, to take place on 27 April 2018, at the new headquarters in Turin, with entrance in Corso Inghilterra no. 3, at 16:00 of 27 April 2018 and in any case at the end of the meeting of ordinary shareholders, in order to resolve upon the following item of the agenda:

1. Approval, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, of the resolutions of the extraordinary shareholders' meeting concerning the mandatory Conversion of the company's savings shares into ordinary shares of the same company, as well as the removal of the indication of the nominal value of the shares from the Articles of Association and the relative amendments to the Articles of Association. Pertinent and consequent resolutions.

The effectiveness of the Conversion, should it receive the approval of the extraordinary shareholders' meeting, will be conditioned upon:

the approval of the Conversion by the special savings shareholders' meeting;

the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the Conversion in the CET 1 and the possible purchase by the company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and

the amount owed to those who elect to exercise the withdrawal right not exceeding Euro 400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Art. 2437-quater, par. 1 and 2 of the Italian Civil Code.

The conversion ratio has been set by the Board of Directors on the basis of, inter alia, the report of an independent expert and includes an implied premium on the savings shares' price equal to:

3.4% in relation to the last stock exchange closing price of 5 February 2018;

3.3% in relation to the average price registered in the past month;

4.4% in relation to the average price registered in the past 3 months.

Since the resolution approving the Conversion implies an amendment to the company's Articles of Association regarding voting and participation rights, the savings shareholders who do not take part in the approval of the related resolution of the special savings shareholders' meeting will be entitled to exercise the right of withdrawal pursuant to Art. 2437, par. 1 (g) of the Italian Civil Code (the "Withdrawal Right"). The liquidation value of each savings share was calculated in accordance with Art. 2437-ter of the Italian Civil Code and set by the Board of Directors at Euro 2.74, equal to the arithmetic average of closing prices of the savings shares on the market in the six months prior to the

date of publication of the notice of call of the special savings shareholders' meeting (6 February 2018). The Articles of Association do not derogate from the abovementioned legal criteria.

Should any of the aforesaid savings shareholders exercise the Withdrawal Right, it will be necessary to liquidate their shareholdings in accordance with the liquidation procedure provided under Art. 2437-quater of the Italian Civil Code. In the context of said liquidation procedure, the company may be required to repurchase the shares from the withdrawing shareholders that are not purchased by the other shareholders or possibly placed on the market at their liquidation value. For this reason, the Board of Directors will propose among the items on the agenda for the extraordinary shareholders' meeting set for 27 April 2018 also the authorisation of the sale of shares that may be purchased in the light of this procedure, in order to allow the company to liquidate an investment which would be otherwise fully deducted from shareholders' equity and CET 1 (Common Equity Tier 1) due to their quality as own shares. The maximum amount of shares which are the subject matter of said authorisation will be equal to the number of ordinary shares resulting from the Conversion which will be purchased by the company at the end of the possible liquidation process in connection with the shares remaining at the end of the pre-emption/pre-emptive offer.

The documentation concerning the abovementioned proposals of shareholder meeting resolutions will be made publicly available in accordance with the provisions set out in the current legal framework.

Please note that:

the ordinary shares that will be issued to service the Conversion will bear regular dividend rights;

it is foreseen that the date of effectiveness of the Conversion – where the relevant conditions have been fulfilled – shall fall after the ex-right date of dividends relating to the financial year ended 31 December 2017 (set for 21 May 2018); said dividend shall therefore be distributed to both ordinary and savings shareholders in accordance with the Articles of Association in place prior to the Conversion (Art. 29.3 of the Articles of Association);

the withdrawal procedure will commence and will conclude after the ex-right date of the dividends relating to the financial year ended 31 December 2017, and the savings shareholders who exercise the Withdrawal Right – as well as those who do not exercise such right – will receive such privileged dividend in accordance with Art. 29.3 of the Articles of Association currently in force.

The Conversion will be directed at all holders of savings shares.

The effective date of the Conversion shall be agreed with Borsa Italiana S.p.A. and made publicly available on the website of the company and in at least one national daily newspaper, in accordance with Art. 72, par. 5, of the Issuers' Regulation – CONSOB resolution no. 11971/1999. With same notice, the company will provide details on the modalities of assignment of the ordinary shares resulting from the conversion ratio and on the management of any fractions of shares resulting from the conversion ratio. On the same date, the savings shares shall be revoked from listing on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., and the ordinary shares resulting from the Conversion will be listed on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A.

The Conversion is aimed at rationalising and simplifying the capital structure of Intesa Sanpaolo, as well as simplifying the company's corporate governance by aligning all shareholder rights. Furthermore, with respect to the capital requirements provided under the supervisory regulations, it is worth noting

that the nominal value of the savings shares – unlike that of ordinary shares – is not included in the CET 1 (Common Equity Tier 1) but is included in Additional Tier 1 capital. Therefore, assuming a scenario in which all savings shares are converted, the CET 1 ratio of the Intesa Sanpaolo Group would register – on the basis of the figures as at 31 December 2017 and all other terms being equal – an increase equal to 18 bps. Such increase would instead be equal to 3 bps if withdrawals entail the company to incur the maximum costs provided in the conditions upon which the effectiveness of the Conversion is subject and should the ordinary shares remaining post-Conversion (and therefore purchased by the company) not be sold.

Should all of the savings shares be converted into ordinary shares, the voting rights of the ordinary shareholders will be diluted by approximately 5.8%. In the instance of maximum costs being incurred by the company following the exercise of Withdrawal Rights (without placement of the shares purchased in the context of the abovementioned liquidation procedure on the market), said dilution will instead be equal to approximately 4.9%.

The economic dilution, following the increase in the total number of shares due to the conversion ratio of 1.04 ordinary shares per each savings share, will be equal to approximately 0.2% in the case of all of the savings shares being converted into ordinary shares, while the Conversion would be accretive by approximately 0.7% in the case of maximum costs being incurred by the company following the exercise of Withdrawal Rights without placement of the shares purchased on the market.

Intesa Sanpaolo: Meeting of Ordinary Shareholders and Special Meeting of Savings Shareholders

On 27 April 2018, Intesa Sanpaolo published a press release with the following wording:

"The Meeting of Ordinary Shareholders and the Special Meeting of Savings Shareholders were held today.

At the Meeting of Ordinary Shareholders, the resolutions detailed below were passed.

Ordinary part

Item 1 on the agenda: 2017 financial statements a) Approval of the Parent Company's 2017 financial statements b) Allocation of net income for the year and distribution to shareholders of dividend and part of the Share Premium Reserve. The Shareholders approved the Parent Company's 2017 financial statements. The Shareholders also adopted a resolution to distribute €1,353,639,567.85 as dividends on the net income for the year (corresponding to 8 euro cents on each of the 15,859,786,585 ordinary shares and 9.1 euro cents on each of the 932,490,561 savings shares) and €2,065,450,088.96 as a reserve assignment from the Share Premium Reserve (corresponding to 12.3 euro cents on each ordinary share and savings share) for a total amount of €3,419,089,656.81. The reserve assignment will be subject to the same tax regime as the distribution of dividends. Dividends not distributed in respect of any own shares the Bank holds at the record date shall be allocated to the extraordinary reserve. The dividend payment will take place from 23 May 2018 (with coupon presentation on 21 May and record date on 22 May). The dividend yield is 6.4% per ordinary share and 6.5% per savings share based on today's stock price.

Item 2 on the agenda: Increase in the compensation of the Independent Auditors for the assignment of the statutory audit. The Shareholders approved the proposal regarding the updating of the economic terms and conditions currently set out for the assignment of the statutory audit granted to KPMG S.p.A.,

resulting in an increase - for each of the financial years 2017-2020 - of €140,000, as a result of the increased activities deriving from the entry into force of Legislative Decree no. 135/2016 and Regulation EU no. 537/2014.

Item 3 on the agenda: Remuneration and own shares.

2018 remuneration policies for employees and other staff not bound by an employment agreement and for certain categories governed by an agency contract. The Shareholders approved the remuneration policies for 2018, as described in the Report on Remuneration, Section I, 4 "Remuneration policy for employees and staff not bound by an employment agreement" and Section I, 5 "Remuneration policy for certain categories governed by an agency contract". The Shareholders also voted in favour of the procedures for the adoption and implementation of the remuneration policies, as described in the Report on Remuneration, Section I, 1 "Procedures for adoption and implementation of the remuneration policies".

Confirmation of the increase in the cap on the variable-to-fixed remuneration to all Risk Takers that are not part of the Corporate Control Functions. The Shareholders approved the proposal to confirm the increase in the cap on the variable-to-fixed remuneration from 1:1 to 2:1 to the population identified as Risk Takers not belonging to the Corporate Control Functions.

Approval of the 2017 Annual Incentive Plan based on financial instruments. The Shareholders approved the share-based Incentive Plan for 2017 covering Risk Takers who accrue a bonus in excess of the so-called "materiality threshold", and those Managers or Professionals who are not Risk Takers and accrue "relevant bonuses". The Plan provides for the free assignment of Intesa Sanpaolo ordinary shares to be purchased on the market.

Authorisation to purchase and dispose of own shares to service the 2017 Annual Incentive Plan. The Shareholders authorised the purchase and disposal of own shares to ensure implementation of the Incentive Plan. In accordance with this authorisation:

- Intesa Sanpaolo ordinary shares will be purchased, in one or more tranches, up to a maximum number and a maximum percentage of the Intesa Sanpaolo share capital calculated by dividing the comprehensive amount of approximately €40,000,000 by the official price recorded today by the Intesa Sanpaolo share. As the official price recorded today by the Intesa Sanpaolo ordinary shares was €3.153, the maximum number of shares to be purchased on the market to meet the total requirement of the aforementioned Incentive Plan of the Intesa Sanpaolo Group as a whole amounts to 12,686,330. This represents around 0.08% of the ordinary share capital and of the total share capital (comprising ordinary shares and savings shares);

- the purchase of shares will be executed in compliance with the provisions included in Articles 2357 and following of the Italian Civil Code, within the limits of distributable income and available reserves, as determined in the financial statements most recently approved. Pursuant to Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis of the Issuers' Regulation and subsequent amendments, purchases will be executed on regulated markets in accordance with trading methods laid down in market rules, in full accordance with the regulatory requirements as to equality of treatment among shareholders, the measures preventing market abuse, as well as the market practices permitted by CONSOB. By the date the Group-level purchase programme begins – disclosure of which will be made to the market as required by the regulations – the subsidiaries will have completed the

procedure for seeking equivalent authorisation at their shareholders' meetings, or from the bodies with jurisdiction over such matters within their structures;

- in accordance with the authorisation obtained at the Shareholders' Meeting today, which is effective for up to 18 months, purchases will be executed at a price identified on a case-by-case basis, net of accessory charges, within a minimum and maximum price range. This price will be determined using the following criteria: the minimum purchase price will not be lower than the reference price of the share recorded in the stock market session on the day prior to each single purchase transaction, less 10%; the maximum purchase price will not be higher than the reference price the share recorded in the stock market session on the day prior to each single purchase transaction, plus 10%. At any rate, the purchase price will not be higher than the higher of the price of the last independent trade and the highest current independent bid on the market;

- pursuant to Article 2357-ter of the Italian Civil Code, the Shareholders authorised the disposal on the regulated market of own ordinary shares exceeding the Incentive Plan's requirements under the same conditions as those applied to the purchases and at a price no lower than the reference price of the share in the stock market session on the day prior to each single particular transaction, less 10%. Alternatively, these shares may be retained to service possible future incentive plans and/or possible remuneration granted the event of early termination of the employment relationship (Severance).

Approval of the 2018-2021 POP (Performance Call Option) Long-term Incentive Plan for Top Management, Risk Takers and Key Managers. The Shareholders approved the 2018-2021 POP (Performance Call Option) Long-term Incentive Plan for Top Management, Risk Takers and Key Managers in Italy.

Approval of the 2018-2021 LECOIP 2.0 Long-term Incentive Plan for all employees that are not recipients of the POP Plan. The Shareholders approved a plan based on financial instruments called Leveraged Employee Co-Investment Plan - LECOIP 2.0. This Plan is open to all employees, meaning by that all Professionals and Managers in Italy, with the exception of Top Management, Risk Takers and Key Managers, who are eligible to take part in the POP Plan.

Extraordinary part

Item 1 on the agenda: Mandatory conversion of savings shares into ordinary shares and concurrent removal of the indication of nominal value for the shares of Intesa Sanpaolo from the Articles of Association. Amendment of Articles 5 and 29 and removal of Article 30 of the Articles of Association. Pertinent and consequent resolutions.

Shareholders:

approved the mandatory conversion of the outstanding savings shares – following the cancellation of 61 savings shares by an authorised intermediary, with the reduction of said shares to no. 932,490,500 – into no 969,790,120 ordinary shares of the Company, the latter to consist in newly issued shares, with regular economic rights and having the same features of the ordinary shares outstanding at the date of the conversion, at a conversion ratio, equal to no. 1.04 ordinary shares for each savings share with concurrent removal of the indication of the nominal value of all of the shares of Intesa Sanpaolo S.p.A. outstanding as at the relative date of effectiveness of the conversion, pursuant to Articles 2328 and 2346 of the Italian Civil Code, so that the corporate share capital remains unchanged and divided into only ordinary shares;

provided that the mandatory conversion of the savings shares in accordance with the above (and therefore also the effectiveness of any withdrawals that may be exercised by the savings shareholders entitled thereto and of the cancellation of the 61 savings shares) take place subject to:

(i) the approval of the mandatory conversion, along with the relative amendments to the Articles of Association, pursuant to Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 1998 by the special meeting of the savings shareholders;

(ii) the authorisations of the European Central Bank required under the current legal and regulatory framework, for the purposes of the amendments to the Articles of Association, the inclusion of the ordinary shares that are issued in connection with the conversion in the CET 1 and the possible purchase by the Company of own shares at the end of the liquidation procedure relating to withdrawing shareholders; and

(iii) the amount owed to those who elect to exercise the withdrawal right not exceeding €400 million at the end of the pre-emption and pre-emptive rights offering period concerning any offer to the Intesa Sanpaolo shareholders of the shares held by the withdrawing savings shareholders pursuant to Article 2437-quater, paragraphs 1 and 2 of the Italian Civil Code;

approved the amendment to Articles 5, with sole regard to paragraph 5.1, and 29 of the Company's Articles of Association;

granted powers and mandate to the Board of Directors and to the Chairman of the Board of Directors and the Chief Executive Officer, severally and with full power to sub delegate, to carry out all actions deemed necessary or appropriate to fully implement the above resolutions, including without limitation, (i) to define any additional terms and conditions of the Mandatory Conversion, including, inter alia, the date on which such conversion will be effective upon agreement with Borsa Italiana S.p.A., which must fall after the ex-right date of dividends relating to the financial year ended 31 December 2017; (ii) to define the terms and conditions of the procedure relating to the exercise of the right of withdrawal to which savings shareholders are entitled pursuant to Article 2437, paragraph 1, letter g) of the Italian Civil Code; (iii) to carry out the liquidation process of the savings shares which are the subject matter of the withdrawal process, also purchasing if necessary such shares using the available reserves; and (iv) to carry out any other formality and actions in relation to the overall number of outstanding shares as at the date of effectiveness of the conversion and to obtain the necessary authorisations for the above resolutions and, generally, any other authorisation to fully implement the resolutions, together with any necessary power thereof, with no exclusion and exemption, including the power to fulfil any requests made by the relevant Supervisory Authorities as well as to proceed with the deposit and the registration with the Company Register of the updated Articles of Association with the approved amendments thereto;

authorised the Board of Directors to sell the Company's own shares that may be bought as a consequence of rights of withdrawal being exercised, at the end of the liquidation process pursuant to Article 2437-quater of the Italian Civil Code, without limitation, for a consideration which shall not be lower than the share reference price on the trading day preceding each sale with a 10% discount, specifying that the disposal may be carried out on the market or off the market, as spot and/or forward transactions.

Item 2 on the agenda: Mandate to the Board of Directors to increase the share capital pursuant to Article 2443, as well as Article 2349, paragraph 1, and Article 2441, paragraph 8 of the Italian Civil Code for

the purposes of implementing the 2018-2021 LECOIP 2.0 Long-term Incentive Plan based on financial instruments, referred to under item 3f) of the ordinary part, and consequent amendment of Article 5 (Share Capital) of the Articles of Association.

The Shareholders granted powers, pursuant to Article 2443 of the Italian Civil Code, to the Board of Directors of Intesa Sanpaolo to carry out:

a share capital increase without payment, in one or more tranches, by 27 October 2019, pursuant to Article 2349, paragraph 1 of the Italian Civil Code, for a maximum amount of €400,000,000 (inclusive of share premium) with the issuance of up to 170,000,000 ordinary shares of Intesa Sanpaolo;

a share capital increase with payment, in one or more tranches, by 27 October 2019, for a maximum amount of €1,200,000,000 (inclusive of share premium, and net of discount), excluding option rights in favour of the employees of the Intesa Sanpaolo Group, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, with the issuance of up to 555,000,000 ordinary shares of Intesa Sanpaolo. The share issue price will be inclusive of a discount from the market price of ordinary shares of Intesa Sanpaolo, calculated as the average of market prices observable in the 30-day period immediately prior to the issue date.

The determination of the maximum number of ordinary shares to be issued shall depend on the issue price, which shall be determined by the Board of Directors. Assuming all employees adhere to the Professional Plan and the Manager Plan, the two share capital increases would have a dilutive effect of 3.5% on the ordinary share capital of Intesa Sanpaolo on the assumption that the share price is €3, and of 4.4% on the assumption that the maximum amount of shares per the Shareholders' Meeting resolution is issued in a stress scenario at an price of €2.4. Assuming, in addition, that all savings shares are converted into ordinary shares, the dilutive effect would be equal to around 4.1% of the total share capital post-conversion of the savings shares.

As regards the amendments to the Articles of Association approved at the Shareholders' Meeting, the European Central Bank has already released the verification, required under Article 56 of Legislative Decree 385/1993, that is needed to start procedures for entry in the Company Register.

The Special Meeting of Savings Shareholders, which followed the Meeting of Ordinary Shareholders, resolved on the only item on the agenda, in accordance with Article 146, paragraph 1, letter b) of Legislative Decree no. 58 of 24 February 1998, and approved, to the extent of its responsibility, the resolution passed in the extraordinary session, item 1 on the agenda, of the Meeting of Ordinary Shareholders, as reported above."

Intesa Sanpaolo: Assignment and Subscription of Ordinary Shares Reserved For Employees Under The 2018-2021 Lecoip 2.0 Long-Term Incentive Plan

On 11 July 2018, Intesa Sanpaolo published a press release with the following wording:

"Intesa Sanpaolo hereby communicates the number of Intesa Sanpaolo ordinary shares that have been assigned to the Group's employees and Intesa Sanpaolo ordinary shares that have been subscribed to by the Group's employees, as well as the corresponding number of Certificates issued by J.P. Morgan, i.e. the financial instruments, representative of the abovementioned shares, that the Group's employees receive under the 2018-2021 LECOIP 2.0 Long-term Incentive Plan. The Plan, which is based on

financial instruments, was approved at the Shareholders' Meeting of 27 April 2018 and has already been disclosed to the market.

The LECOIP 2.0 Plan provides for:

- the assignment, free of charge, to employees, of new Intesa Sanpaolo ordinary shares deriving from a capital increase without payment ("Free Shares"), for an amount equivalent to the Variable Result Bonus advance for 2018;

- the assignment, also free of charge, to employees, of additional new Intesa Sanpaolo ordinary shares deriving from the same capital increase without payment ("Matching Shares") and the subscription by employees to new Intesa Sanpaolo ordinary shares deriving from a capital increase with payment, reserved for employees, through the issue of shares at a discounted price ("Discounted Shares").

Certificates are divided into two categories, and have different characteristics according to whether they are reserved for Professionals or for Managers employed by the Group in Italy. Certificates reflect the terms of certain options that have Intesa Sanpaolo ordinary shares as their underlying instruments, and will allow subscribers to receive, at maturity, in the absence of trigger events, an amount in cash (or in Intesa Sanpaolo ordinary shares) that is equal to the original market value of the Free Shares and the Matching Shares with regard to Professionals and 75% of this value with regard to Managers, plus a portion of any appreciation, compared to the original market value, related to the amount of the Free Shares, Matching Shares and Discounted Shares.

Today, 25,147,152 Free Shares and 47,411,243 Matching Shares were assigned to the Group's employees, and 507.908.765 Discounted Shares were subscribed to by the Group's employees. The numbers were calculated on the basis of the arithmetic average of the Volume Weighted Average Price (VWAP) of the Intesa Sanpaolo ordinary shares recorded on each working day in the 30 calendar days preceding 11 July 2018, which is equal to 2.5416 euro. Consequently, a total number of 72,558,395 Certificates - corresponding to the abovementioned sum of Free Shares plus Matching Shares - were today assigned to the Group's employees. In detail:

Category	Number of Free Shares	Number of Matching Shares	Number of Discounted Shares	Number of Certificates
Professionals	25,147,152	29,680,708	383,795,020	54,827,860
Managers		17,730,535	124,113,745	17,730,535
Total	25,147,152	47,411,243	507,908,765	72,558,395

Following the delegation of powers granted by the Shareholders' Meeting to the Board of Directors pursuant to Article 2443 of the Italian Civil Code, today:

- a share capital increase without payment was executed, pursuant to Article 2349, paragraph 1 of the Italian Civil Code, for an amount of 87,959,908.40 euro, through the issue of 169,153,670 Intesa Sanpaolo ordinary shares with a nominal value of 0.52 euro;

- a share capital increase with payment was executed, with the exclusion, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of the option right, in favour of the Intesa Sanpaolo Group's employees, for an amount of 264,112,557.80 euro, through the issue of 507,908,765 Intesa Sanpaolo ordinary shares at a price of 2.1645 euro (applying a discount of 14.837% to the aforementioned arithmetic average of the VWAP recorded in the 30 calendar days preceding 11 July 2018), of which 0.52 euro of nominal value and 1.6445 euro of share premium.

The total number of shares issued in the capital increase with payment and the capital increase without payment represents 4.1% of the ordinary share capital and 3.9% of the total share capital (comprising ordinary shares and savings shares) of Intesa Sanpaolo after the capital increase.

The capital increase with payment leads to an increase in the Intesa Sanpaolo Group's consolidated shareholders' equity of 1,099 million euro, of which 264 million in share capital and 835 million in share premium reserve, and generates an increase in the Group's Common Equity Tier 1 ratio in the region of 40 basis points on the basis of the figures as at 31 March 2018."

Purchase of Intesa Sanpaolo Savings Shares Pursuant to Article 2437-Quater of the Italian Civil Code, Settlement of the Pre-Emption and Pre-Emptive Rights Offering and Effectiveness of the Mandatory Conversion.

On 1 August 2018, Intesa Sanpaolo published a press release with the following wording:

"Today, the Board of Directors of Intesa Sanpaolo S.p.A. ("Intesa Sanpaolo" or the "Company") resolved to proceed with the reimbursement through the purchase by the Company, pursuant to Article 2437-quater, paragraph 5 of the Italian Civil Code, of no. 14,962,024 savings shares of Intesa Sanpaolo following withdrawal that remained unsold (the "Shares") after the pre-emption and pre-emptive rights offering (the "**Offering**") which ended on 17 July 2018. This was in accordance with the resolution of the Special Meeting of savings shareholders of 27 April 2018 which approved the mandatory conversion of the Intesa Sanpaolo savings shares into ordinary shares (the "Mandatory Conversion") and the consequent amendments to the Company's Articles of Association.

Accordingly, the Shares will not be offered on the market, as permitted by Article 2437-quater, paragraph 4 of the Italian Civil Code. The Shares will be purchased by using available reserves of the Company at the liquidation value of the shares following withdrawal, set in accordance with the provisions under Article 2437-ter, paragraph 3 of the Italian Civil Code, of Euro 2.74 each, with settlement date on 3 August 2018.

In accordance with the resolutions taken by the Extraordinary Meeting of the ordinary shareholders of Intesa Sanpaolo on 27 April 2018, the Shares purchased by the Company will be subsequently sold at a price of no less than the reference price recorded by the share in the stock market session on the day prior to each single disposal transaction, decreased by ten per cent.

Furthermore, it should be noted that:

the settlement of the Shares and related operations following the exercise of the pre-emption and pre-emptive rights under the Offering shall take place on 3 August 2018;

the last trading date of the Intesa Sanpaolo savings shares shall be 6 August 2018;

the Mandatory Conversion of savings shares into ordinary shares will become effective on 7 August 2018 and, therefore, from that date only Intesa Sanpaolo ordinary shares will be traded on the Mercato Telematico Azionario of Borsa Italiana;once the Mandatory Conversion of the no. 932,490,500 savings shares into ordinary shares becomes effective, the share capital of Intesa Sanpaolo, fully subscribed and paid-in, equal to Euro 9,084,056,582.12, will be composed of no. 17,506,639,140 ordinary shares without nominal value;

any fractions resulting from the Mandatory Conversion of savings shares into ordinary shares will be managed by an intermediary appointed by the Company, with settlement in cash to be carried out by the beneficiaries' intermediaries."

On 7 August 2018 Intesa Sanpaolo communicated the new composition of its share capital resulting from the mandatory conversion of savings shares into ordinary shares, effective on the same date. Intesa Sanpaolo's fully subscribed and paid-in share capital thus amounts to 9,084,056,582.12 euro, divided into 17,506,639,140 ordinary shares without nominal value.

On 12 September 2018, Intesa Sanpaolo launched and concluded an ordinary share buy-back programme. The programme executes a plan that assigns, free of charge, ordinary shares to the Group's employees; this covers the share-based incentive plan for 2017 reserved for Risk Takers who accrue a bonus in excess of the so-called "materiality threshold", as well as for those who, among Managers or Professionals that are not Risk Takers, accrue "relevant bonuses". In addition, the programme is implemented in order to grant, when certain conditions occur, severance payments to Risk Takers upon early termination of employment. The purchases were made in accordance with the terms authorised by the Shareholders' Meeting of Intesa Sanpaolo of 27 April 2018. The subsidiaries concerned also terminated their purchase programmes of the Parent Company's shares to be assigned, free of charge, to their employees. The programmes were approved by their respective corporate bodies within their remits and are analogous to the programme approved at the Parent Company's Shareholders' Meeting.

On the sole day of execution of the programme, the Intesa Sanpaolo Group purchased a total of 12,686,321 Intesa Sanpaolo ordinary shares, through Banca IMI (which was responsible for the programme execution), representing approximately 0.07% of the share capital of the Parent Company, at an average purchase price of 2.291 euro per share, for a total value of 29,061,008 euro. The Parent Company purchased 9,035,838 shares at an average purchase price of 2.287 euro per share, for a value of 20,668,935 euro.

On 2 November 2018, Intesa Sanpaolo published a press release with the following wording:

"Intesa Sanpaolo was subject to the 2018 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the Bank of Italy, the European Central Bank (ECB), and the European Systemic Risk Board (ESRB).

Intesa Sanpaolo notes the announcements made today by the EBA on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The 2018 EU-wide stress test does not contain a pass fail threshold and instead is designed to be used as an important source of information for the purposes of the SREP. The results will assist competent authorities in assessing Intesa Sanpaolo's ability to meet applicable prudential requirements under stressed scenarios.

The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2018-2020). The stress test has been carried out applying a static balance sheet assumption as at December 2017, and therefore does not take into account future business strategies and management actions. It is not a forecast of Intesa Sanpaolo profits.

The Intesa Sanpaolo Common Equity Tier 1 ratio (CET1 ratio) resulting from the stress test for 2020, the final year considered in the exercise, would stand at:

- 13.04% on a phased-in basis, in accordance with the transitional arrangements for 2020, and 12.28% on a fully loaded basis, under the baseline scenario;

- 10.40% on a phased-in basis, in accordance with the transitional arrangements for 2020, and 9.66% on a fully loaded basis, under the adverse scenario.

This compares with the starting-point figure of 13.24% on a phased-in basis and 11.85% on a fully loaded basis, as at 31 December 2017 taking the impact of the first time adoption of IFRS 9 into account.

The CET1 ratio resulting from the stress test for 2020 under the adverse scenario would be 10.99% on a phased-in basis and 10.26% on a fully loaded basis when considering the capital increase executed on 11 July 2018 under the 2018-2021 LECOIP 2.0 Long-term Incentive Plan and the conversion of savings shares into ordinary shares finalised on 7 August 2018, other things being equal."

On 26 November 2018, Intesa Sanpaolo published a press release with the following wording:

"Intesa Sanpaolo hereby communicates the new composition of its subscribed and paid-in share capital following the finalisation of the merger by incorporation of Cassa dei Risparmi di Forlì e della Romagna S.p.A. into Intesa Sanpaolo S.p.A.

The merger deed was signed on 10 October 2018 and registered in the competent Company Registers, with legal effects as of 26 November 2018. As a consequence, a total of 2,717,826 Intesa Sanpaolo ordinary shares, having no nominal value and regular dividend entitlement as coupon 42, were issued. This raised the share capital from 9,084,056,582.12 euro to 9,085,469,851.64 euro, divided into 17,509,356,966 ordinary shares without nominal value."

On 3 December 2018, Intesa Sanpaolo published a press release with the following wording:

"Following the obtainment of required authorisations from the relevant authorities, Intesa Sanpaolo and Intrum have finalised the agreement concerning the strategic partnership in respect of non-performing loans which was signed on 17 April 2018 and disclosed to the market on the same day. The agreement includes the creation of a servicing platform owned 51% by Intrum and 49% by Intesa Sanpaolo, and the disposal and securitisation of a bad-loan portfolio of the Intesa Sanpaolo Group.

The finalisation of the transaction generates a net capital gain of around €400 million for the Intesa Sanpaolo Group's consolidated income statement in the fourth quarter of 2018."

Intesa Sanpaolo in 2019 – Highlights

During the first six months of 2019, the corporate simplification process envisaged by the business plan continued according to the established schedule.

Specifically, the deed of merger by incorporation of Intesa Sanpaolo Group Services into Intesa Sanpaolo was signed on 11 January. The merger took effect with respect to third parties on 21 January 2019, while the operations conducted by the incorporated company were posted to the financial statements of the absorbing company, including for tax purposes, effective from 1 January 2019.

On 1 February 2019, the merger between Intesa Sanpaolo Private Banking (Suisse) S.A. and Banque Morval S.A. was completed. After obtaining the authorisations from the competent supervisory authorities, the new bank was renamed Intesa Sanpaolo Private Bank (Suisse) Morval S.A. It was created to contribute to the strategic initiative outlined in the 2018-2021 business plan of the Intesa Sanpaolo Private Banking Division. The new company, which the London branch also reports to, is continuing the process of international expansion already begun by Fideuram – Intesa Sanpaolo Private Banking. The main branches (Geneva and Lugano) and the international network of private bankers will enable the expansion of the geographical footprint to high-potential countries, particularly in the Middle East and South America.

On 5 February 2019, the deeds were also signed for the merger by incorporation of Cassa di Risparmio di Pistoia e della Lucchesia into Intesa Sanpaolo, with an increase in the absorbing company's share capital of Euro 64,511.72 through the issue of 124,061 ordinary shares without nominal value, and for the merger by incorporation of Cassa di Risparmio in Bologna and Cassa di Risparmio di Firenze. The legal effects of the transactions started from 25 February 2019, while the accounting and tax effects started from 1 January 2019.

On 14 May 2019, the deed was signed for the merger by incorporation of Banca Apulia S.p.A. into Intesa Sanpaolo, with the issue of 247,398 Intesa Sanpaolo ordinary shares bearing regular dividend rights, without nominal value, and an increase in share capital from 9,085,534,363.36 to 9,085,663,010.32. The deed of merger by incorporation of Banca Prossima S.p.A. into Intesa Sanpaolo was then signed on 24 May 2019. The legal effects of these two operations started on 27 May 2019 and were posted to the financial statements of the absorbing company from 1 January 2019 also for tax purposes. Lastly, the merger plan for the merger by incorporation of Mediocredito Italiano into the Parent Company was filed on 14 June 2019. Such merger has been effective as at 11 November 2019.

On 8 February 2019, Intesa Sanpaolo received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 March 2019, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement ISP has to meet in terms of Common Equity Tier 1 ratio is 8.96% under the transitional arrangements for 2019 and 9.36% on a fully loaded basis.

In February 2019, Intesa Sanpaolo announced the invitation to the holders or beneficial owners of the following series of notes outstanding: (i) U.S.$1,000,000,000 5.25% Section 3(a)(2) Notes Due 2024, (ii) U.S.$1,250,000,000 3.875% Rule 144A Notes Due July 14, 2027, (iii) U.S.$1,000,000,000 3.875% Rule 144A Notes Due 2028, and (iv) U.S.$500,000,000 4.375% Rule 144A Notes Due 2048 or the global receipts representing beneficial interests in any Series of Notes issued through Citibank N.A. as the receipt issuer, to tender their notes for the cash purchase by the Issuer, as described in the Tender

Offer Memorandum of 7 February 2019. The offers, not subject to any future issue on the capital markets, form part of the liability management transactions carried out by the Issuer. At the close of the transaction, the total nominal amount tendered and accepted was USD 2,100,761,000.

On 30 April 2019, the Ordinary Shareholders' Meeting of Intesa Sanpaolo – in addition to approving its financial statements, the allocation of the net income for the year and the distribution of the dividend to shareholders, the financial statements of the merged companies Intesa Sanpaolo Group Services and Cassa di Risparmio di Pistoia e della Lucchesia – appointed EY S.p.A. as the independent auditors for the financial years 2021-2029, determining their fee. The Shareholders' Meeting also appointed the members of the Board of Directors and the Management Control Committee for financial years 2019-2021 on the basis of slates of candidates submitted by the shareholders.

The Shareholders' Meeting then passed specific resolutions on the remuneration and own shares. Specifically, it:

- approved the remuneration policies in respect of the Board of Directors of Intesa Sanpaolo;

- determined the remuneration of the Board of Directors;

- approved the remuneration and incentive policies for 2019 and voted in favour of the procedures used to adopt and implement the remuneration and incentive policies, as described in the Report on Remuneration;

- approved the increase in the variable-to-fixed remuneration cap for personnel operating exclusively in the Investment Management units belonging to Intesa Sanpaolo Group Asset Management entities, both in Italy and abroad;

- authorised the purchase and disposal of own shares to service the 2018 annual incentive plan.

Lastly, the Shareholders' Meeting approved the proposal for the settlement of the liability action brought against Alberto Guareschi and Roberto Menchetti in their capacity as former Chairman and former General Manager of Banca Monte Parma, with proceeds of Euro 4.35 million.

On 2 May 2019, the Board of Directors unanimously appointed Carlo Messina as Managing Director and CEO, granting him the powers necessary and appropriate to ensure consistent management of the Company.

The first sell-back of high-risk loans deriving from the Venetian banks in compulsory administrative liquidation was launched on 11 May 2019, following notification of Intesa Sanpaolo on 11 March 2019 from the Ministry of the Economy and Finance of the issue of the decree formalising the high-risk guarantee for a total of 4 billion euro. The high-risk positions reclassified as "bad loans" and/or "unlikely to pay loans" were sold back for Euro 456 million, calculated per the contract on the basis of the gross carrying value of the reclassified high-risk loans, less (i) provisions at the date of execution and (ii) 50% of the impairment losses which under IAS/IFRS the Intesa Sanpaolo Banking Group would have recognised had the Banks in compulsory administrative liquidation not had the obligation to purchase. Since the Intesa Sanpaolo Banking Group had already reclassified the loans in question as discontinued operations at a carrying amount consistent with the above consideration, no differences between the net value of the loans sold and their sell-back price emerged.

As at 30 June 2019, discontinued operations included the residual high-risk loans classified in the interim as “bad loans” and/or “unlikely-to-pay loans” and to be sold back by the end of 2019.

As a result of the acquisition of certain assets and liabilities and certain legal relationships of the former Venetian banks in compulsory administrative liquidation and the resulting provisions of the European Competition Authority to the Italian government, in the agreements dated 13 July and 12 October 2017, the Intesa Sanpaolo Banking Group resolved to reduce staff by 4,000 resources (of which at least 1,000 within the scope of the former Venetian banks) by 30 June 2019.

As around 6,850 applications had been received, a number much higher than the 3,000 expected (in addition to the 1,000 applications regarding the former Venetian banks), also with a view to the business plan under preparation, the subsequent integration agreement of 21 December 2017 confirmed the acceptance of the “public offer” of the protocol dated 12 October 2017 for all staff that applied, extending the validity of the agreement for voluntary access to the Solidarity Fund to 30 June 2020.

The postponement of the exits to 30 June 2020 and the reduction in the average time drawing on the Solidarity Fund made it possible to optimise the charges for voluntary exits to be borne by the Intesa Sanpaolo Banking Group.

At the start of 2019, as a result of the effects of the legislative changes regarding pensions, the trade unions requested the assessment of the possibility of re-opening the terms for access to the Solidarity Fund and the retirement schemes set out in those agreements also to staff that, as a result of said legislative measures, could now fall within the scope of addressees of the protocol dated 12 October 2017.

In that context, without prejudice to the overall amounts allocated to the Solidarity Fund and the exits for retirement pursuant to the agreements of 13 July, 12 October and 21 December 2017, and considering the full completion of the process of integrating the businesses of the former Venetian banks which, as a result of the achievement of synergies improved the measurement of excess production capacity, the Group confirmed its willingness to permit the voluntary exits also of people who were previous excluded, as an alternative to the required professional reallocation envisaged in the business plan.

In order to allow for incentives for the retirement of up to 1,000 people and for up to 600 people to participate in the Solidarity Fund, the agreement extended to 30 June 2021 the option to access the Solidarity Fund.

In the second quarter, the Intesa Sanpaolo Banking Group carried out the voluntary realignment of some tax values. Specifically, Intesa Sanpaolo exercised the option set out in Law no. 145/2018 (Budget Act 2019) to realign tax values to their higher carrying amounts, with regard to owned real estate assets, for which values to realign were identified for Euro 1,955.6 million. These mainly derive from the revaluations carried out starting with the 2017 financial statements, following the adoption of the criteria for revaluation of the value of owner-occupied properties (IAS 16) and of the fair value for investment property (IAS 40). These correspond to a substitute tax of Euro 269.4 million. At consolidated level, the exercise of this option resulted in: i) the recognition of substitute tax of Euro 269.4 million, of which Euro 93.9 million posted to the income statement for the period and Euro 175.5 million to shareholders' equity; ii) the derecognition of net deferred tax liabilities of Euro 622.6 million, of which Euro 217.1 million through profit or loss and Euro 405.5 million through shareholders' equity, with a positive impact on the income statement of the period of Euro 123.2 million and an additional Euro 230 million in

shareholders' equity. The Board of Directors identified the share premium reserve in the financial statements to be classified as the suspended tax reserves, in an amount equal to the difference between the higher values realigned and the substitute tax due (Euro 1,686.2 million), which will be subject to approval by the ordinary shareholders' meeting of Intesa Sanpaolo at the next possible meeting, presumably on approval of the 2019 Financial Statements.

Sovereign risk exposure

As at 30 June 2019, Intesa Sanpaolo Group's exposure in securities to Italian sovereign debt to a total of approximately Euro 83,146 million, in addition to receivables for approximately Euro 11,797 million. The security exposures increased slightly compared to Euro 75,913 million as at the 31 December 2018.

Management

Board of Directors

The composition of Intesa Sanpaolo's Board of Directors is as set out below.

Director	***Position***	***Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Bank's activities***
Gian Maria Gros-Pietro	Chairman	Chairman of ASTM S.p.A.
Paolo Andrea Colombo[(a)]	Deputy Chairperson	Chairman of Colombo & Associati S.r.l.
Carlo Messina[(*)]	Managing Director and CEO	No principal outside activity
Bruno Picca	Director	No principal outside activity
Rossella Locatelli[(a)]	Director	Chairman of B.F. Holding Chairman of Bonifiche Ferraresi S.p.A. Member of the Supervisory Board of Darma SGR in administrative compulsory liquidation
Livia Pomodoro[(a)]	Director	No principal outside activity
Franco Ceruti	Director	Director Intesa Sanpaolo Private Banking S.p.A. Chairman of Intesa Sanpaolo Expo Institutional Contact S.r.l.
Daniele Zamboni[(a)]	Director	No principal outside activity
Maria Mazzarella[(a)]	Director	No principal outside activity
Milena Teresa Motta[(a)]	Director and Member of the Management	Director of Strategie & Innovazione S.r.l. Chairman of the Board of Statutory Auditors of Trevi Finanziaria Industriale S.p.A.

Director	*Position*	*Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Bank's activities*
	Control Committee	
Alberto Maria Pisani[(a)]	Chairman of the Management Control Committee	No principal outside activity
Maria-Cristina Zoppo(a)	Director and Member of the Management Control Committee	Chairman of the Board of Statutory Auditors of Houghton Italia S.p.A. Chairman of the Board of Statutory Auditors Schoeller Allibert S.p.A, Standing Auditor of Coopers & Standard Automotive Italy S.p.A.
Luciano Nebbia	Director	Deputy Chairman of Equiter S.p.A., Deputy Chairman of Intesa Sanpaolo Casa S.p.A.
Maria Alessandra Stefanelli(a)	Director	No principal outside activity
Guglielmo Weber(a)	Director	No principal outside activity
Anna Gatti(a)	Directori	Director of Rai Way S.p.A., Director of Lastminute Group
Fabrizio Mosca(a)	Director	Deputy Chairman of Mecplast S.r.l., Standing Statutory Auditor of Bolaffi S.p.A., Chairman of the Board of Statutory Auditors of Aste Bolaffi S.p.A., Chairman of the Board of Statutory Auditors of Bolaffi Metalli Preziosi S.p.A., Standing Statutory Auditor of M. Marsiaj & C. S.r.l., Standing Statutory Auditor of Moncanino S.p.A.
Corrado Gatti(a)	Director	Director of Gestioni Armatoriali S.p.A., Chairman of the Board of Statutory Auditors of Atlantia S.p.A.

(*) Carlo Messina was appointed Managing Director and CEO by the Board of Directors on 2 May 2019. He is the only executive director on the Board.
(a) Meets the independence requirements pursuant to Article 13.4 of the Articles of Association, the Corporate Governance Code and Article 148, third paragraph, of Legislative Decree 24 February 1998 no. 58.

The business address of each member of the Board of Directors is Intesa Sanpaolo S.p.A., Piazza San Carlo 156, 10121 Turin.

Principal Shareholders

As at 11 September 2019, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3 per cent [(1)] [(2)]).

SHAREHOLDER	ORDINARY SHARES	% OF ORDINARY SHARES
Compagnia di Sanpaolo	1,188,947,304	6.790%
BlackRock Inc.(*)	876,009,296	5.003%
Fondazione Cariplo	767,029,267	4.381%

(*) Fund management.

(1) Shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold.

(2) The aggregate investment of 6.952%, of which 1.941% with voting rights, disclosed by JPMorgan Chase & Co. in form 120 B updated as at 26 November 2018, has been recalculated in 6.951%, of which 2.674% with voting rights as disclosed in form 120 A dated 20 June 2019, due to the change in Intesa Sanpaolo's share capital of 26 November 2018 as a result of the merger by incorporation of Cassa dei Risparmi di Forlì e della Romagna. JPMorgan Chase & Co. made the original disclosure on 16 July 2018 (through form 120 B) in view of the positions held in relation to the issue of LECOIP 2.0 Certificates, having as underlying instruments Intesa Sanpaolo ordinary shares, that the Intesa Sanpaolo Group's employees received under the 2018-2021 LECOIP 2.0 Long-term Investment Plan based on financial instruments.

The information contained in this section of this Prospectus relates to and has been obtained from Intesa Sanpaolo S.p.A. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Intesa Sanpaolo S.p.A., no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Intesa Sanpaolo S.p.A. since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

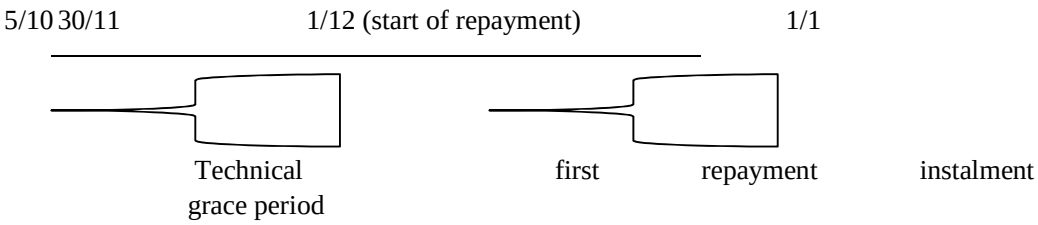
CREDIT AND COLLECTION POLICY

1. REGULAR LOANS

Payment systems and the recording of collections

The repayment of almost all loans starts on the first day of the second month following the date of signature of the agreement (unless entire grace periods are stipulated by contract). Between the date of signature and the first repayment date, the client is covered by a grace period and only pays interest, which is usually collected together with the first repayment instalment.

By way of example, in the case of a loan with monthly repayment taken out on 5/10:



For companies, almost all loans have a grace period that can be quite long, up to 36/48 months. From the date of signature until the date of the first repayment, the client is in a technical grace period and pays only the interest, which is usually received together with the first repayment instalment. For this type of loan, repayment generally starts from the first full instalment following disbursement, according to the timescale of the instalment (monthly, quarterly, half-yearly, annual). Provision can also be made for a grace period, in addition to the technical grace period, the duration of which, defined at the time of approval of the loan, is commensurate with the term, type and purpose of the loan.

The terms of payment of the loan instalments essentially consist of:

- direct debit of the debtor's current account opened at any branch of the relevant Bank
- payment by the debtor on the basis of a MAV (deposit slip) notice of payment of each instalment, to be made at the counters of the relevant Bank or any other credit institution adhering to the MAV circuit;
- direct debit of the debtor's current account opened at another Bank (SDD mandate);
- payment at the relevant Bank counter and/or by Bank transfer through another Bank.

It is Bank practice, for current loans with payments of deferred instalments, to permit that payments made after the instalment deadline but less than one month before the subsequent due date, be subject to default interest charged at the following due date, or on the first accounting event of the loan (see repayment).

1.1 Payment by direct debit of current account

For the loan items that use this system of payment, the procedure identifies all instalments falling due on a specific day and provides for the current account to be debited (on the specific day). If the account does not have funds or its funds are only partially sufficient, the system makes the debits nonetheless, providing each branch (on the day of each instalment due date) with a list of instalment debits that have caused the current account to become overdrawn. The branch concerned has the option of cancelling instalments debited automatically by the system.

Any outstanding payments are recorded in the relevant Bank's information system in real time. The operator can, however, check the accounting position of the loan at any time.

If an instalment is even only partially unpaid, the loan is not taken into consideration when preparing the debit flow for the following instalment.

Note that each week, the recovery of instalments in arrears is generated automatically, by monitoring the balances of clients' accounts in order to gradually reduce the arrears.

1.2 Payment by pre-authorised debit

In order to improve operability and offer clients services that are increasingly designed to meet their expectations, instalments may be paid by the pre-authorised debit of current accounts at other credit institutions.

A pre-authorised debit order issued to other banks, only to be used on the client's express request, provides an alternative to debiting a current account opened at the relevant Bank. This option is of interest to clients who reside outside the area of operations of the relevant Bank, and those operating with other credit institutions. This service serves to reduce loans with no supporting current account.

The flow of debits forwarded to the paying banks is generated automatically several days prior to the due date of the instalment, currently 8 business days for all items collectable by SDD mandate.

On the due date of the debit orders, the electronic procedure credits the collections "subject to collection" to a transit account and on that same day the "Loans" procedure debits the amount of the instalments due to the same account to balance the amount credited.

Unpaid orders returned by the correspondent banks are debited by the procedure from the transit account.

Reversals of payments made by SDD mandate attributable to outstanding sums are effected automatically by the procedure. An appropriate report on the event is also provided to the Operating Points. In view of the time taken by the Banks to return the sums credited "subject to collection" and the subsequent processing time, the effect of the collection (or outstanding sum) can only be verified approximately fifteen business days later. After the fifteenth day, the receipts to be sent to Clients are generated.

In the case of outstanding sums, the debit subject to collection is only guaranteed if the loan returns to performing status prior to generation of the debit flow for the subsequent instalment.

1.3 Payment by MAV deposit slip

In order to facilitate more rapid registration of the sums paid, for payment of loan instalments with other credit institutions and in order to automate the relevant flow, a notice of instalment due form has been produced in a standard interbank format, which enables the use of the MAV electronic banking circuit to credit the relevant bank with the sums received.

The MAV is a paper slip that can be paid at any bank forming part of the MAV circuit (in practice almost all Italian banks).

The Bank sends the slip to the client approximately 30 days prior to the due date of the instalment in the case of a half-yearly or quarterly loan, and 20 days prior to the due date in the case of a monthly loan. If the payment is made at a counter of the Bank itself, the relevant entry in the loan procedure takes place in real time; if the client makes the payment at another bank, an electronic data flow is sent, via the portfolio procedure, containing all the details of the payment.

In addition to the speed of data transmission and the resulting faster update of the loans ledger, the use of this procedure enables the reduction of manual payment allocation to a minimum.

Usually the result of the payment at another bank (electronic flow) is received within 3 days of the date of payment.

If a client fails to pay an instalment, for loans payable in half-yearly and quarterly instalments, a MAV reminder is sent.

For other due dates and for all payment procedures, a reminder letter is sent monthly summarising all the amounts payable by clients.

1.4 Collection by cheque or postal order

Instalments may also be paid, subject to collection, by banks drafts, bank cheques and postal orders.
In this case too, the deadline for payment without default is that indicated on the notice of the instalment due that is only produced if the payment method is without domiciliation (MAV).

Cheques and postal orders must be issued to the order of the relevant Bank. Exclusively for clients known to be of good standing by the Branch, checks and postal orders with one or more endorsements may be accepted, in all cases in accordance with applicable legislation. In such cases, the last endorsement must always correspond to that of the presenting client.

In the event of the return of unpaid or protested cheques or postal orders, the legislation provides that the branch:

- must attempt to recover from the transferor the amount of the unpaid/protested cheque and the relevant expenses, together with interest on late payment from instalment due date until the recovery date;
- if recovery is impossible, the branch must reverse the payment procedure, following recall of any receipts issued.

1.5. Collection by transfer

If the client pays an instalment by transfer, the payment is received in the procedure directly by the Operating Point. Any credits received by the MLT Loans Office are sent to the branch dealing with the loan.

If the client appears at a different Bank of the Group from that at which the loan is established, the collection of an instalment and/or execution of early payment is settled centrally by the Group's back office departments. With the new business plan, the case record is no longer significant. Any receivables are transferred to the relevant branches.

Collections must be made in the currency recognised by the correspondent Bank.

1.6. Tolerance periods for payments

The deadline for payment for all types of loan (monthly, quarterly, half-yearly or annual) is the instalment due date, irrespective of the payment procedure used by the client.

If the due date is a public holiday, the deadline is deferred to the first subsequent business day.

1.7. Loan renegotiation policies

1.7.1 In recent years, the loan market has seen a considerable increase in the granting of loans by "replacement/renegotiation".

1.7.2 This phenomenon has been favoured both by structural factors, such as the liberalisation of the market following the legislative innovations introduced by the Bersani Decree Law (Legislative Decree No. 7 of 31 January 2007, converted into Law no. 40 of 2 April 2007, known as "loan transfer" and the abolition/reduction of settlement penalties) now Legislative Decree No. 70 of

13 May 2011, converted with amendments into Law no. 106 of 12 July 2011, and by cyclical factors related to interest rate trends.

1.7.3 In this changed regulatory and economic situation, and in the increasingly competitive context of the mortgage market, the relevant Bank, in accordance with its legal obligations, has decided to undertake commercial initiatives mainly designed to increase attention to the needs of existing clients under the same competitive terms and ultimately establishing the conditions to hold onto clients. Accordingly, Branches may undertake 'retention' initiatives in defence of their portfolio, leading to a renegotiation of loans, without access to renegotiation requiring evidence of (i) the position being critical, (ii) alleged difficulty in servicing the debt, or (iii) a decision to settle the loan thanks to the new opportunities offered by the market arising from new mortgage transfer rules. Renegotiation is authorised within the limits of current autonomous powers.

1.7.4 The possible solutions consist of:

a) lengthening the term of both variable-rate and fixed-rate loans: the final due date of the repayment plan may not exceed a term of 40 years and, solely with regard to private individuals, the relevant debtor may not be more than 75 years of age (or other limits in force from time to time based on the parent bank's policy), except the cases indicated in letter e) below;
b) changing the indexing parameter or converting the loan from variable-rate to fixed-rate or vice versa, with a possible change in the frequency of instalments usually applied under standard catalogue conditions in force from time to time for the particular type of counterparty;
c) renegotiating the spread and/or the fixed rate;
d) shortening the term (only for private individuals only);
e) granting the option of suspending the payment of instalments on the basis of:
   - agreements promoted by the Italian Banking Association to support the credit market for small and medium-sized enterprises and retail credit, such as for example the "2018 Credit Agreement" signed on 15 November 2018;

   - legislative or regulatory provisions, such as:

      a) the provisions contained in the Implementing Regulation (adopted by Ministerial Decree No. 132 of 21 June 2010) of the "Solidarity Fund" (the so-called Gasparrini Fund) for loans for the purchase of a first home, established by Article 2, paragraph 475 et seq. of Law No. 244/2007 (2008 Finance Act);

      b) measures to combat natural disasters or humanitarian emergencies;

   - initiatives promoted from time to time by the Intesa Sanpaolo Group in favour of its clients or to support credit quality;

   - agreements established by contract.

Suspensions generally have a maximum duration of 12 months, unless different terms are established in the contract, or are based on different legislative or regulatory provisions (such as, for example, the "Solidarity Fund"), with a shift in the repayment plan and the resulting extension of the final term of the loan by a period corresponding to the duration of the suspension.

The suspension may concern:

-the whole instalment (capital and interest), in which case the interest accruing during the suspension will be paid without out the application of default interest, on the resumption of repayment of the loan, according to the terms agreed with the borrower;

-the capital only, in which case the borrower, during the period of suspension, continues to pay the interest calculated according to the contractually established methods.

In the event of instalments in arrears, suspension runs from the first instalment falling due and unpaid that is included in the suspension and, if the suspension is total, the default interest accrued on that instalment will not be payable.

1.7.5 The branch - in accordance with the policy adopted by the Bank from time to time - may also propose to replace the loan with a new loan that meets the client's requirements, with a right of subrogation in favour of Intesa Sanpaolo.

2. THE CREDIT MANAGEMENT PROCESS

2.1. Proactive Credit

Proactive Credit is defined as the set of processes for loans to clients who have difficulties that at the time are potential and not yet openly apparent, but which could, if not promptly resolved, lead to the breach of contract, with the consequent deterioration in the quality of the risks assumed by the Bank. The occurrence of such a default could, depending on its severity and duration, result in the subsequent classification of all positions as non-performing.

2.2 Processes

Objectives and guiding principles

The Proactive Credit management processes is a model for the management of clients with potential problems, which is designed to correctly and promptly identify and address anomalies from the moment they first appear. The model is based on the following guiding principles:

- the responsibility of the branch in the monitoring of positions;
- differentiation of processes according to their regulatory segment;
- the establishment of dedicated structures, both peripheral and central, that intervene in the process when the associated risk becomes increasingly serious;
- the streamlining of credit management processes and management statuses, with a consequent simplification of the workflow and of activities focused on an effective solution to detected anomalies;
- review of intervention criteria to ensure greater efficiency and effectiveness of the new processes, anticipating as much as possible the detection of situations that could lead to a deterioration of positions;
- review of the interception systems with a view to complete automation of entry and exit from the process, reducing subjective evaluations to a minimum;
- the supplement of processes with Early Warning (EW) interception systems to make interception increasingly predictive and intervention increasingly anticipatory;
- the use of the ratings to support decision-making;
- the use of external companies specialising in recovery;

- the use of an Internal Collection Unit for clients belonging to the Private Retail (RE) regulatory segment. equipped with tools and processes for proposing autonomous negotiating solutions.

Credit Value Management Office

As indicated above, Proactive Credit for the management of intercepted clients draws on the support of dedicated units in the Loans Offices at the Regional Headquarters of the LBN (Local Bank Networks) and of the office of the CLO (Chief Lending Officer), with the task of supporting the Network in the management of clients that are showing initial signs of difficulty.

2.2.1 **Process**

The processes involved in Proactive Credit, which are designed to manage intercepted clients in a timely and optimal manner, are differentiated by regulatory segment and are divided into:

- Corporate, SME Corporate and SME Retail Processes
- Banking and Non-Banking Financial Institutions Processes
- Retail Process

The intervention system is guided by an early warning system which, through the collation of a series of indicators, enables classification of credit positions according to the counterparty's state of default. The state of impairment of a counterparty is represented/summarised through the attribution of a colour (a 'traffic light' result). The calculation engine produces six categories:

- green
- light green
- orange
- red
- light blue
- dark blue

Counterparties intercepted in the Proactive Credit process are:

- for the Private Retail (RE) regulatory segment, counterparties with a red traffic light outcome, with an "alerted criticality" form;

- for the SME Retail regulatory segment, counterparties with orange and red traffic lights generated by "alerted" criticalities, and

- for the Corporate, Banks and Non-Banking Financial Institutions regulatory segments, counterparties with orange and red traffic lights.

Management phases

Proactive credit processes are divided into management phases, which in turn are differentiated according to process type/client segment.

A) <u>For Corporate Clients, Corporate SMEs, Retail SMEs, Banks and Non-Banking Financial Institutions</u> <u>the process involves:</u>

- the “Branch Management” (BF) phase
- the “Branch Management – Non-settled” (BU) phase
- the “Proactive Management” (PM) phase.

1) The “**Branch Management**” phase is operational for positions intercepted as a result of an EWS orange traffic light (criticalities alerted for the SME Retail segment only), i.e. counterparties with less serious risk alerts.

This phase involves the intervention of the branch/relationship manager responsible for the commercial relationship and consists of verification with the client of the reasons for the intervention with the aim of reaching, where possible, an agreement for the regularisation of the position and/or settlement of an automatically detected anomaly.

The phase involves the compilation by the manager of a check list in which the actions taken are entered into the system. Each action will be subject to automatic or manual control, with varying frequencies depending on the type of action taken. During monitoring, if the action is not fulfilled or is ineffective, the manager will be automatically asked to re-analyse the position and again indicate the actions taken in consultation with the client.

This processing phase is referred to as “Non-settled Branch Management" (BU) and is described in greater detail below.

In the event of difficulties that cannot be resolved in the short term, or of significant complexity, the account manager has the option of requesting an override of the traffic light indicator to a more serious category by accelerating the classification to a status of “Proactive Credit” and the attribution of a “red” traffic light indicator, with consequent intervention of the specialist Credit Value Management Office. In the most serious cases, it is also possible to proceed directly with a request for classification as a non-performing loan.

The management phase does not have a minimum duration, but within 30 days of intervention, the operator is required to analyse the counterparty and report actions taken to the system by filling in a check list.

Positions that have not been processed within 30 days, together with positions processed ineffectively, enter the “Branch Management Unresolved” management phase and are subject to automatic reporting to the competent loans office.

2) The “**Not Settled Branch Management**” management phase applies to positions:

- that have not been settled, or with a management action that has not been performed, or with an ineffective action;

In this phase, the relationship manager, who is responsible for identifying and implementing actions necessary to support the counterparty in overcoming the stated or potential difficulties, is assisted by the specialist Credit Value Management Office. This Office does not intervene directly in the position, but is responsible for the “Governance of the GN portfolio”, i.e. it is responsible for monitoring volumes, processes and recycling, ensuring that branches adequately supervise the positions for which they are responsible.

3) The "**Proactive Management**" phase applies to positions:

- intercepted through an EWS "red light" (only criticalities alerted for the SME Retail segment), or
- Branch Management states for which the manager requests an override to a more serious category.

This phase does not have a defined duration. It ends with the regularisation of the positions and a change in the EWS traffic light indicator, or classification as a non-performing loan. On entering this phase, the Branch draws up a specific Action Plan, which may be complete or a general outline, in which, in addition to assessing the client's situation, initiatives for regularising the position are identified.

The action plan must be submitted to the competent specialist Credit Unit for validation. The competent unit is automatically identified on the basis of Risk Weighted Assets (RWA) concession mandates; in particular, clients with:

- ✓ exposure less than €15 million: validation is the responsibility of the Regional Headquarters of the Local Bank Networks Division;

- ✓ exposure of more than €15 million: validation is the responsibility of the Proactive Units of the Credit Value Management Offices of the CLO Area. For the clients of the Corporate & Investment Banking Division, validation is the exclusive responsibility of the CLO Area.

This phase provides for 30-day cycles for the monitoring of the Action Plan. In particular, the same loans office that is responsible for validation of the plan is also responsible for the task of monitoring, on the said pre-defined expiry, whether the plan is being implemented by the methods agreed with the reporting office, while at the same time verifying that no new anomalies have arisen that could undermine the maintenance of the position in that state.

Even in the Proactive Management Phase, for less complex counterparties, the operator has the option to compile an intervention check list, replacing the action plan, with the same content and function as indicated above for the BF phase. However, the obligation to monitor every 30 days remains, in order to ensure and verify compliance with what is was agreed between the manager and the client.

The objective of the management is to eliminate anomalies with a view to continuing relations with the counterparty, helping it to avoid the loan from slipping into the category of a non-performing.

Positions for which the regularisation is not achieved remain classified in this state until a subjective assessment results in a classification in a state of higher risk, by a request submitted to the competent management offices. Positions also leave the state with a worsening of the risk in the event that conditions of objective deterioration occur (conditions for classification among past due loans and/or impaired overruns, detection of a prejudicial 'dark blue' status, etc.) leading to automatic classification as an overdue or probable default.

Therefore, performing positions which are attributed an automatic assessment of high risk, which is confirmed over time, or which present early signs of potential difficulties, are promptly and automatically intervened in proactive management processes.

Such positions, for the purposes of credit quality, are classified to all intents and purposes as "performing" and responsibility for their management remains with the organisational structure in which the counterparty is port folioed.

In order to guarantee objectivity, cases are placed in or removed from Proactive Credit processes automatically. Only the relevant control bodies (such as for example the Internal Auditing Department) are entitled, in the event of serious anomalies detected during the course of their duties, to classify positions manually with the status of "Proactive Management" on their own initiative.

B) With respect to Retail (Natural Persons), given the less complex nature and greater number of counterparties involved, the process has recently been re-designed to take over the management of counterparties that are already classified as non-performing loans.

As part of this process (called "Retail Positions Management"), provision is also made for the outsourcing of out-of-court recovery of receivables due from clients who have dealings with the Local Bank Networks and of the of the Intesa Sanpaolo Group and who have difficulties in repaying due exposures.

The category that is subject to outsourcing is that of arrears/overruns attributable to clients belonging to the RE regulatory segment (Natural Persons) that are performing but with irregularities in payments, or that can be classified as non-performing loans (the state of non-performing is excluded from the category).

The following come within the terms of the process:

- exposures relating to overdue and unpaid instalments
- overdue and unpaid exposures
- exposures relating to default interest
- exposures arising from use of current accounts without a credit line or in excess of the granted credit limit
- Exposures for expenses and accessories and any other amounts due in relation to the type of receivables claimed.

Positions that are not to be outsourced are routed to other actors involved in the debt recovery and management process. These actors are:

- the branch manager at which the client's account is held
- Pulse, the internal collection unit of the office of Chief Lending Officer
- the credit specialists of the office of the Chief Lending Officer.

The Pulse Internal Collection Unit is a very important player in credit management processes and performs the following functions:

- direct contact with the client, with standardised management functions for the various processing cycles
- contact with the client designed to solicit payments and renegotiate/restructure loans, using a multi-channel strategy of client contact;
- management of negotiating solutions for clients in difficulty with the help of advanced IT tools which are capable of performing a series of automatic checks in order to ensure rapid and standardised processing (logical trees) where possible.

2.3 Non-performing exposures

The 10th update of Bank of Italy Circular No. 272 (hereinafter "Circular 272") introduced further clarifications to the definitions and types of "non-performing financial assets" to implement the

provisions of the EBA 2016/07 Guidelines of 18 January 2017 ("EBA DoD Guidelines") on the application of the Definition of Default contained in Article 178 of Regulation 575/2013 (the Capital Requirements Regulation).

The various types of credit statuses that come within the category of "non-performing financial assets", referring to the overall exposure of the debtor, are discussed below.

"Non-performing financial assets" consist of cash assets (loans and debt securities) and off-balance sheet assets (guarantees given, irrevocable and revocable undertakings to disburse funds, etc.) from debtors:

1) which have significant exposures which are past due by more than 90 days, or
2) for which full fulfilment of the credit obligations is considered unlikely without enforcement of guarantees, irrespective of the existence of overdue sums or the number of days in arrears.

No account is taken of any guarantees (real or personal) put in place to protect assets. The category of "Non-performing financial assets" does not include financial instruments included in a "Financial assets held for trading" portfolio or derivative contracts.

In order to identify non-performing loans, the Bank has selected a criterion that involves an approach by "Individual debtor".
"Non-performing financial assets" are classified, in accordance with the principle of increasing gravity, in the following three categories:

- non-performing past due exposures
- unlikely-to-pay loans
- bad loans

With respect to the classification of "in default", the recent European legislation on the subject (the so-called "new definition of default") will be applied, with particular reference to the EBA guidelines on the application and definition of default pursuant to Article 178 of Regulation (EU) No 575/2013.
Again in accordance with the regulatory provisions, the details of the categories of non-performing exposures, with regard to specific exposure, include the classification of "Non-Performing Forborne Exposures".

Non-performing financial assets are subject to analytical-statistical or analytical valuations for financial reporting purposes.

The process of assessing non-performing exposures to counterparties classified among past due loans and unlikely-to-pay loans, in accordance with the reference accounting principles and the applicable regulatory provisions, arises from the presence of objective loss elements that lead to the conclusion that the amount contractually expected from each individual asset is no longer fully recoverable.

In general terms, receivables classified:

- among past due and/or impaired overruns (regardless of the amount of exposure) and those classified as unlikely-to-pay and non-performing (of an amount not exceeding a significant pre-established threshold, currently €2 million) are subject to automatic analytical assessment based on statistical grids produced by Risk Management on the basis of a historical series of changes in risk status and recovery times
- among unlikely-to-pay and non-performing (above the threshold of €2 million), are subject to a specific analytical evaluation process based on a reliable qualitative and quantitative analysis of the economic, financial and asset situation of the counterparty, together with the relevant exogenous factors, such as for example the performance of the relevant economic sector. The assessment is

performed analytically for each individual receivable, considering the implicit riskiness of the relative technical form of use, the relevant degree of dependence on any mitigating factors and, if significant, the financial effect of the realistically estimated time required for its recovery.

Non-performing past due exposures (Overrun)

This category includes "cash exposures other than those subsequently defined as bad loans or unlikely-to-pay loans which, on the reference date of the report, are due" for more than 90 consecutive days.

The overall exposure to a debtor must be recognised as past due and/or overrun if, at the reporting date, the amount of principal, interest and/or commission not paid at the date on which it was due exceeds both of the following thresholds (hereinafter jointly referred to as the "Relevance Thresholds"):

a) an absolute limit of €100 for retail exposures and €500 for exposures other than retail exposures (the so-called "Absolute Threshold") to be compared with the debtor's total amount overdue and/or overrun;

b) a relative limit of 1% compared with the ratio between the total amount overdue and/or overrun and the total amount of all exposures recorded in the balance sheet to the same debtor (the so-called "Relative Threshold").

Classification in this status is takes place automatically, at the level of the banking group, on the persistence of a credit situation that is past due and/or overrunning the Relevance Thresholds for a period of more than 90 consecutive days.

The classification in status is also occurs automatically as a result of 'dragging' of a default status from joint holders to a joint account, or from the joint account to joint holders, according to specific rules as specified in the relevant paragraph.

Unlikely to pay

This category includes a debtor's entire cash and "off-balance-sheet" exposures, in relation which in the bank concludes that it is unlikely that it will fulfil all its credit obligations (in terms of capital and/or interest) without recourse to actions such as the enforcement of guarantees. This valuation does not take account of any amounts (or instalments) that are due and outstanding.

It is not therefore necessary to wait for a specific sign of the problem (for example failure to repay), if factors exist that imply a situation of risk of default on the part of the debtor (e.g. a crisis in the business sector in which the debtor operates). All the cash and "off-balance-sheet" exposures of the same debtor in such a situation are known as "unlikely-to-pay", unless the conditions exist for the loans to be classified as bad loans.

Unlikely-to-pay loans also include all exposures to issuers that have not promptly met their payment obligations (principal and/or interest) in respect of listed debt securities. To this end, a "grace period" stipulated by contract or, in its absence, recognised by the market that lists the security, is recognised.

In addition, unlikely-to-pay loans include "all exposures to debtors that have lodged an application for a so-called "blank" arrangement with creditors" (Article 161 of the Bankruptcy Act), notification of which can be made from the date of submission of the application until the evolution of the application is known. However, the exposures in question should still be classified as bad loans if: a) new objective factors exist that lead intermediaries, as responsible independent parties, to classify the debtor in that category; b) the exposures were already classified as bad loans at the time of submission of the application.

The same criteria apply in the case of an application for an arrangement with creditors on a going concern basis (Article 186-*bis* of the Bankruptcy Act), as of the date of submission and until the outcome of the application is known. In the latter case, the classification of exposures is amended on the basis of the ordinary rules.

In particular, in the event that an arrangement with creditors is instigated on a going concern basis with the transfer of the going concern or with the transfer of its assets to one or more companies (even newly formed companies) not belonging to the debtor's economic group, the exposure should be reclassified among performing assets.

This is not possible, however, in the case of sale or transfer to a company belonging to the same economic group as the debtor, due to the presumption that the parent company/controlling company has been involved in the decision-making process that led the company to file an application for an arrangement with creditors in the interests of the entire group. In such a situation, the exposure to the transferee continues to be indicated as impaired assets; it should also be reported among exposures subject to impaired concessions."

The following positions are automatically categorised as "unlikely to pay":

- positions in in the state of "About to Expire", on passing the expiry date of this state and with a relative threshold of materiality in excess of 5%;
- positions presenting a misaligned SAG for more than 30 consecutive days as "unlikely-to-pay" or "non-performing" loans with an exposure classified in one of the above situations, equal to or exceeding 20% of overall exposure at banking group level (except positions which, at the level of each individual bank/group company, show an exposure of less than €1,000);
- in the state of "unlikely-to-pay - forborne" upon exceeding 90 days of continuous overrun above the threshold;
- positions presenting one of the following prejudicial events, i.e. bankruptcy, arrangement with creditors, extraordinary administration, forced liquidation, settlement of bankruptcy proceedings, receivership, insolvency proceedings;
- as a result of 'dragging' of a default status from joint holders to a joint account, or from the joint account to joint holders, according to specific rules as detailed in the relevant paragraph.

For management purposes, the Bank has also made provision for a further classification within "Unlikely to pay", identified as "unlikely-to-pay-forborne", which may include counterparties that show at least one exposure subject to a measure of "forbearance" that is duly complied with or that remain in a state of risk pending the start of the 'Cure Period' required by law (minimum 12 months).

The following positions are automatically categorised as "unlikely-to-pay-forborne":

- forborne performing positions, arising from non-performing positions, subject to a subsequent tolerance measure on the same credit line as the previous intervention in the so-called "probation period";
- forborne performing positions, arising from non-performing positions, with a unreported overrun of more than 30 continuous days (applying a minimum tolerance threshold and with verification undertaken on the Forborne line) occurring during the Probation Period;
- positions with a forborne flag arising from closed non-performing positions with existing agreed/used residues;

- positions in the state of “non-performing past due exposures” for which forbearance measures have been granted with an overrun of zero or less than 30 days or below the threshold;
- positions presenting a misaligned SAG for more than 30 consecutive days as “unlikely-to-pay forborne” and with an exposure classified in that state as equal to or exceeding 20% of overall exposure at banking group level (except positions which, at the level of each individual bank/group company, show an exposure of less than €1,000);
- performing counterparty positions, if the calculation of the diminished obligation (in the case of a new forborne labelling) - at the time of execution of the operation on the legacy of reference - registers a value above a threshold set at 1%.

A manual classification as “unlikely to pay” - a decision on which is the responsibility of the decision-making body - is possible at any time if, in accordance with the regulatory provisions, this classification better represents the deterioration of the debtor's creditworthiness.

OBSERVATION PERIOD FOR NON-PERFORMING PAST DUE OVERRUNS AND FOR UNLIKELY TO PAY EXPOSURES

Impaired exposures must continue to be classified as such until at least 3 months have passed - the so-called Probation Period - from the time when they no longer meet the conditions to be classified as non-performing past due exposures, or as unlikely to pay, as the case may be.

An exception is made for counterparties classified as unlikely-to-pay forborne, for a 12-month “cure period” applies, during which the counterparty is prevented from being re-classed as performing, even if the financial difficulty is overcome.

During the probation period, the conduct of the counterparty must be assessed in the light of the relevant financial situation (in particular, by verifying the absence of overruns above the relevance thresholds).

EFFECT OF CLASSIFICATION ON OTHER ENTITIES

Consideration must be given to the possibility of a contagion effect upon the occurrence of an event which results in the classification of a counterparty within a group indicating a worsening risk status, with consequences in terms of potential default by other entities within the same group.

In view of the consequences (in terms of materiality) that the classification of a counterparty could have on the ability to cover the indebtedness of the other parties of group entities, the evidence of the event is classed as a negative symptom or among the prejudicial event, with the relevant consequences.

Any repercussions for other entities arising from the classification of a counterparty therefore presuppose that they are separate and financially autonomous legal entities. In particular, in the case of relationships established with a sole proprietorship and with the natural person who operates it, given the absence of separate legal entities, any classification among non-performing loans will relate to the overall exposure.

With exclusive reference to counterparties with retail exposures (Retail and SME Retail Segments) that are linked to counterparties classified as Unlikely To Pay or among Non-performing past due exposures, automatic classification criteria are applied if linked relationships exist and where certain conditions are met.

In particular, in the case of the classification of a linked relationship among impaired exposures, the exposures of the individual joint holders will also be automatically classified, unless at least one of the following conditions has been met:

a) the delay in payment is the result of a dispute between the co-holders which has been brought before a court or has been dealt with in another extrajudicial conciliation procedure which has resulted in a binding decision, and there is no concern about the financial situation of the individual co-holders;

b) the credit obligation of the linked relationship represents a minor part of the overall exposure of the co-holder.

Outside of these automatic systems, the effects that the classification of a linked relationship among non-performing loans may have on the individual co-holders and on any other joint relationships with third parties attributable to them must in any case be assessed.

Exposures Subject to Impaired Concessions

The category of "Forbearance", relating to exposures subject to re-negotiation due to the client's financial difficulties, is a subset of both non-performing exposures and of performing loans, relating to the state of risk of exposure at the time of renegotiation.

Individual cash exposures and revocable and irrevocable commitments to disburse funds that are, as the case may be, non-performing, unlikely-to-pay or among the non-performing past due exposures and that are subject to Forbearance measures are referred to as "exposures subject to impaired concessions".

This category includes exposures for which the application of tolerance measures has resulted in conditions for classification as impaired assets (e.g. debt write-offs).

The category of "exposures subject to impaired concessions" includes those that come within the definition of "Non-performing exposures with forbearance measures" as set out in Annex V, Part 2, paragraph 180 of the ITS.

Concessions do not include agreements - reached between the debtor and a pool of creditor banks - whereby existing credit lines are temporarily "frozen" with a view to formal restructuring.

In the case of restructuring operations carried out by a pool of banks, those not party to the restructuring agreement are required to verify whether the conditions for the classification of their exposure as non-performing or unlikely-to-pay are met.

Exposures to debtors who have made an application for a so-called "blank" arrangement with creditors are to be classified among those subject to impaired concessions if the application for an arrangement is transformed into a debt restructuring agreement pursuant to Article 182-bis of the Bankruptcy Act.

Also in the case of approval of the application for composition with creditors on a going concern basis, the exposure must be recognised in the context of exposures subject to impaired concessions, except in the case described above of the sale of the business as a going concern or its transfer to one or more companies (including newly established companies) that do not belong to the economic group of the debtor, in which case the exposure must be reclassified underperforming assets, provided that the buyer/transferee is not already classified among the impaired exposures at the time of sale/transfer.

In order to eliminate the forborne label from exposures granted to impaired counterparties, a period of 36 months must elapse for the positions classified as impaired, consisting of:

- a 12-month 'Cure Period', calculated from the date of application of the forbearance measure or, if later, from the date of entry into a deteriorated state. It should be noted that, in the event that the restructuring agreement classed as a forbearance measure provides for a period of suspension of payments, a so-called 'Grace Period', the calculation of the days of Cure Period will start from the date of resumption of payments by the client (i.e. from the date of the end of the period of suspension). During the Cure Period, the counterparty's return to performing status will be prevented, even if the financial difficulty has been overcome.

During the Cure Period, the regularity of payments on the line covered by the forbearance measure must be verified.

At the end of the 12-month period, the position may be reclassified as performing (by means of a specific resolution), provided that:

- the debtor has not incurred any overruns
- the debtor has paid a significant amount of principal and interest

- a further 24 months of the probation period has passed, starting from the counterparty's return to 'performing' status. In this period, exposures are placed in a special category called "*forborne performing from non-performing*". At the end of the 24-month Probation Period, the exposure can cease to be monitored - and the Forborne label may be cancelled - provided that the above conditions are met.

Other Exposures Subject to Forbearance

Where the established conditions are met, for regulatory and management purposes this category may include other credit exposures relating to performing counterparties coming within the category of "Forborne performing exposures".

2.4 Categorisation as bad loans

The category of bad loans includes cash and off-balance sheet exposures to a client that is insolvent (even if not legally confirmed) or in comparable situations, independently of any loss forecasts by the bank. No account is therefore taken of any guarantees (real or personal) put in place to protect the exposures. Exposures that are in an anomalous situation due to country risk profiles are excluded.

The following are included:

• exposures to local authorities (Municipalities and Provinces) in a state of financial instability with respect to the portion subject to the relevant liquidation procedure;

• receivables acquired from third parties whose main debtors are non-performing, regardless of the portfolio accounting allocation.

A client must be classified as having a bad loan:

- in any event, where one of the following circumstances has occurred:
  - **a)** a declaration of bankruptcy or of forced liquidation;
  - **b)** initiation of legal proceedings by the Bank in accordance with the procedure laid down in the applicable legislation and without prejudice to the specific nature of the positions arising from Intesa Sanpaolo Personal Finance;
  - **c)** when the number of outstanding instalments exceeds objective limits (12 monthly instalments unpaid for all technical forms) with reference to counterparties with instalment financing, except in the presence of out-of-court agreements and/or formalised repayment plans;

- following a thorough evaluation, if the following events have occurred:
  - **d)** admission to an extraordinary administration procedure, in the event that there are no real prospects of restoring the economic-financial and asset equilibrium of entrepreneurial activities;
  - **e)** legal proceedings brought by third parties;
  - **f)** cessation of business activities;
  - **g)** placement in voluntary liquidation;
  - **h)** application/admission to composition with creditors if the state of crisis can in fact be considered to coincide with the state of insolvency.

As a general rule, in accordance with regulatory provisions (Risk Centre - Instructions for Participating Intermediaries - the Supervisory Authority), recognition as bad loans implies an assessment by the intermediary of the overall financial situation of the client and cannot automatically result from a mere delay on the part of the client in paying the debt. The assertion of a receivable is not in itself a sufficient condition for it to be classed as a bad loan.

For the purposes of the Transaction, the category of **Defaulted Loans** will be assigned to loans classified as non-performing or those with an ***Arrears Ratio*** greater than or equal to:

⇒ 10, in the case of loans with a monthly instalment;
⇒ 4, in the case of loans with a quarterly instalment;
⇒ 2, in the case of loans with a half-yearly instalment.

Also in the context of the Transaction and this Collection Policy, the "***Arrears Ratio***" indicates at the end of each reference month, the ratio between (a) all amounts due but not paid by way of principal and interest (excluding default interest) in relation to the Receivable and (b) the amount of the instalment relating to the Receivable itself due immediately before the end of the month. A classification as a **Defaulted Loan** is irreversible.

The "Prevention and Retail Management" process - *Externa collection*

For extrajudicial recovery of Proactive and Non-performing loans that are not non-performing, and specifically for the process called "Retail Prevention and Management" (RE regulatory segment), Intesa Sanpaolo can avail itself not only of the competent internal offices of the bank itself, but also of external specialist companies that meet the necessary regulatory requirements.

Separate contractual conditions govern the collaboration, which his described in greater detail in the commercial collaboration agreement ("Collaboration Agreement"), concluded with external companies. In general, the external company will perform the services by organising and managing all factors and production resources at its own expense and with entrepreneurial autonomy.

Without prejudice to the provisions of the Collaboration Agreement, the external company represents and warrants that it has - and will have for the entire term of the Collaboration Agreement - the authorisations, licenses and permits necessary to undertake its commercial activities and to fulfil its obligations with the utmost professionalism and diligence, in compliance with legislation in force from time to time and as provided in the "General and Special Conditions".

In particular, the service will cover the activities of:

• **Phone Collection**: understood as an extrajudicial debt recovery activity performed through telephone contacts.

The activity is divided into two successive phases (Phone Collection 1 and Phone Collection 2), depending on the criticality of the client. The mandate to manage cases and to perform the recovery activity will last thirty days, commencing from the date of award of the mandate unless extended, and concerns individual cases which must be agreed from time to time.

The time granted may in exceptional cases be altered following assessment by the Bank, which will communicate it to the external company with a specific indication of the new expiry date of the mandate, including by a specific indication in the management portal.

By way of non-exhaustive indication, the activities that the external company may perform in the Phone Collection phase may be:

a) communication of the problem to the client
b) a request to regularise the situation and instruction on how to proceed
c) communication of the possibility of a negotiated solution, subject to a creditworthiness assessment by the company
d) directing the client to the Bank office for the application of a negotiated solution.

• **Home Collection**: understood as extrajudicial debt collection activities which may include a home visit by the external company to the third party debtor. The activity is divided into three successive phases (Home Collection 1, Home Collection 2 and Home Collection 3), depending on the criticality of the client. The mandate to manage cases and to perform the recovery activity will last sixty days for the so-called Home Collection 1 and Home Collection 2 phases, and for ninety days for Home Collection 3 phases, commencing from the date of award of the mandate unless extended, and concerns individual cases which must be agreed from time to time.

The time granted may in exceptional cases be altered following assessment and an order of the Bank, which will communicate it to the external company with a specific indication of the new expiry date of the mandate, including by a specific indication in the management portal.

By way of non-exhaustive indication, in the Home Collection phases the external company may perform the following activities:

a. communication of the problem to the client
b. a request to regularise the situation and instruction on how to proceed
c. communication of the possibility of a access to negotiated solutions, subject to a creditworthiness assessment by the Bank
d. obtention of an expression of interest from the client in defining a strategy for regularisation with the Bank
e. directing the client to the Bank office for the application of a negotiated solution.

The Service will consist in performing the Phone Collection and/or Home Collection activities for extrajudicial recovery of outstanding claims in the following categories:

- receivables relating to overdue and unpaid instalments
- receivables relating to overdue and unpaid sums
- receivables relating to default interest
- receivables arising from use of current accounts without a credit line or in excess of the granted credit limit
- receivables for expenses, accessories and any other amounts due in relation to the type of receivables claimed and for which a mandate is granted.

The process of granting a mandate, i.e. the creation of outsourced lots with a mandate to operate, takes place on a daily basis. The management process is also supported by a dedicated IT procedure that enables, again on a daily basis, viewing of the recovery actions implemented by external companies and precise monitoring of the evolution of the positions entrusted to external collection.

The cooperation agreement for the provision of extrajudicial credit recovery services, signed with external companies, provides for the determination of specific operational SLAs and management KPIs.

In particular, service levels are broken down into “high significance” and “medium significance”.

The main “high significance” service levels are:

- misappropriation / delay in the consignment of values
- justified complaints / lawsuits concerning privacy violation and money laundering
- failure to comply with rules established by the Italian Data Protection Authority
- proven aggressive conduct toward clients

The main “medium significance” service levels are:

- prompt commencement of telephone and home recovery activities
- punctual performance of activities
- punctual issue of invoices according to operating instructions given.

Failure to comply with Service levels may result in the application of specific penalties/actions that vary according to the type of Service level not complied with and the extent of the violation.
The Bank will also constantly monitor the performance indicators (management KPIs) underlying the commission model and the logic of outsourced positions in the various phases, in accordance with the timeframes used to govern the outsourcing process, such as, by way of example but not limited to:

- net performance (amounts collected/amounts entrusted): the ratio between the volumes of sums collected (excluding expected collection values due after the mandate) compared to all transactions included the scope of the mandate and the volumes of overdue sums in the same mandate;

- regularisation: for instalment products, number of contracts which at the end of the credit period have zero overdue and unpaid instalments; for current account overdrafts, contracts with a final overdraft amount of zero;

- redemption: percentage of cases which, at the end of the credit line, have a lower number of overdue and unpaid instalments than at the beginning of the credit line compared to the total number of cases entrusted;

- duration of management: average duration of cases of management.

2.5 Renegotiation and restructuring of the loan if payments are not up to date

2.5.1 Renegotiation of outstanding loans - Individuals

The renegotiation of the interest rate and/or the term of the repayment plan is permitted for clients with loans/financing both secured by mortgages and unsecured loans and that are in arrears in terms of payments.

For positions classified as Proactive Credit, past due loans and/or impaired overruns and unlikely-to-pay/unlikely-to-pay-forborne, an initial agreement must be reached with the competent Credit and/or Management Department on the basis of the relevant concession or management powers, on the possibility of proposing renegotiation of the loan/financing to the client.

The renegotiation enables the loan to be brought back into line and favours its future sustainability by restructuring the repayment plan for the residual debt, possibly extending its term, in order to adapt its commitments to the client's actual cash flows.

The renegotiation operation must be approved by the body responsible for the concession, regardless of the status of the position. If the renegotiation also involves a waiver, the position must have been classified beforehand as unlikely-to-pay and the transaction must be approved by the competent body both in terms of concession and management powers.

- For positions classified as non-performing past due exposures, unlikely to pay and unlikely to pay forborne, renegotiation can be decided at a minimum level by the Credit Specialist for credit management at Regional Headquarters/Divisional Bank of the Local Bank Network.

The characteristics of this measure are as follows:

- the option of including the amount of the instalments due and outstanding together with the residual debt with a restructuring of the repayment plan; the client has the option of extending the term of the loan up to a further 10 years beyond the original due date, observing the limits indicated below;

- overall term of the loan, including the extension, of not more than 40 years and, for private clients, provided that the principal debtor is not more than 80 years of age on the new due date;
- exclusively for positions classified as Proactive Credit, overrun/past due, unlikely to pay/unlikely to pay forborne, provision can be made for a grace period of not more than 36 months in which interest-only instalments will be paid, with specific minimum authorisation issued by the Regional Headquarters of the Local Bank Networks solely for to private individual counterparties;
- for all types of clients, without prejudice to the need as a matter of priority to collect at the same time as the renegotiation, in addition the portion of interest accrued since the last due date up to the day of conclusion of the transaction, of contractual interest accrued on the instalments falling due in the last six months and all default interest, with specific minimum authorization issued by the Regional Headquarters of the Local Bank Networks and, exclusively for positions classified as undergoing reorganization, overrun and unlikely-to-pay/unlikely-to-pay forborne, the latter two items (interest accrued in the last 6 months and default interest) may be deferred on the renegotiated loan. In this case, the deferment period may have a maximum term of 36 months and in any event not more than the residual term of the renegotiated loan. These items are non-interest-bearing, not subject to default even in the event of subsequent insolvency, and will be collected in instalments as of the first instalment following that of any interest-only instalment (in the event of a grace period). However, no exception to collection is permitted for performing loans or Proactive Credit.

This solution has significant implications, since:

- ✓ it allows the burden of repayment of the loan to be remodelled by extending the residual term, rendering payment of the relevant instalments sustainable and more consistent with actual spending capacity, and is characterised by simplicity and flexibility;
- ✓ it enables the carrying over of irregular situations in compliance with current legislation, with particular reference to the recent legislative changes introduced by the Community regulator on the subject of “Forborne” exposures.

In view of the various types of loans and the numerous possibilities for renegotiation, specific measures are assessed and decided on in each individual case, specifically taking the borrower’s creditworthiness into account, as well as the particular characteristics of the individual loan agreements.

In addition to the usual options to change the duration and type of repayment plan, it is also possible:

- for positions classified as overrun, unlikely-to-pay and forborne unlikely-to-pay, the restructuring of mortgage/purchase loans with payment of part of the principal at the maturity date of the last repayment instalment (the so-called balloon plan).

Use of the balloon plan enables customisation of the repayment plan based on the client's current and prospective cash flows. A repayment plan with final balloon payment therefore provides for the payment of part of the capital on the last instalment of the repayment plan. The interest generated periodically by the balloon fee will be reimbursed together with the loan repayment instalment.

A renegotiation with a balloon option can only be decided on only by the competent Central Office of the Chief Lending Officer.

- for positions classified as unlikely-to-pay/unlikely-to-pay-forborne, the renegotiation of mortgage/land loans with partial write-off of the loan:

- if the position is subject to a specific analytical evaluation, the write-off is allowed within the limits of the value adjustments already applied to the position, and without prejudice to the limits of the management powers relating to the waiver of receivables;

- if the position is subject to an analytical evaluation on a statistical basis, the write-off is allowed within the limits of the value adjustments applied by automatic methods to the position, without prejudice to the limits of the management powers relating to the waiver of receivables.

As a matter of priority, the write-off must always concern the default interest component. The rules for reducing any further written off sums follow the accounting rules for collection of the instalment.

- the LTV ratio of the renegotiated loan must be above 70%.

A renegotiation with write-off can be decided at the minimum level of Credit Specialist for the management of loans of the Regional Headquarters/Divisional Bank of the Local Bank Network.

2.5.2 Renegotiation of loans to companies and retail businesses (SME) in arrears

The renegotiation of the interest rate and/or the term of the repayment plan is permitted for clients with loans/financing both secured by mortgages and unsecured loans and that are in arrears in terms of payments.

For positions classified as Proactive Credit, past due loans and/or impaired overruns and unlikely-to-pay/unlikely-to-pay-forborne, an initial agreement must be reached with the competent Credit and/or Management Department on the basis of the relevant concession or management powers, on the possibility of proposing renegotiation of the loan/financing to the client.

The renegotiation enables the loan to be brought back into line and favours its future sustainability by restructuring the repayment plan for the residual debt, possibly extending its term, in order to adapt its commitments to the client's actual cash flows.

The renegotiation operation must be approved by the body responsible for the concession, regardless of the status of the position. If the renegotiation also involves a waiver, the position must have been classified beforehand as unlikely-to-pay and the transaction must be approved by the competent body both in terms of concession and management powers.

The characteristics of this measure are as follows:

- the option of including the amount of the instalments due and outstanding together with the residual debt with a restructuring of the repayment plan; the client has the option of extending

the term of the loan up to a further 10 years beyond the original due date, with a total residual term, including the extension, that does not exceed 30 years;

- the renegotiation can be re-proposed up to a maximum of 2 times during the life of the loan with a total residual term, including the extension, that does not exceed 30 years. The second renegotiation is to be considered only in the event of a further deterioration of the clients capacity to repay, and is authorised at the minimum level by the Band II Credit Specialist of the Regional Headquarters of the Local Bank Networks/Band I Credit Specialist of the Local Bank Network.
- a grace period of not more than 36 months may be provided (the period included in the extension of the duration granted) during which interest-only instalments are paid. This facility can be decided at the minimum level of the Credit Specialist of the Regional Headquarters of the Local Bank Networks/Credit Specialist of the Local Bank Network;
- without prejudice to the need as a matter of priority to collect at the same time as the renegotiation, in addition the portion of interest accrued since the last due date up to the day of conclusion of the transaction, of contractual interest accrued on the instalments falling due in the last six months and all default interest, with specific minimum authorization issued by the Regional Headquarters of the Local Bank Networks and, exclusively for positions classified as past due loans and/or impaired overruns and unlikely-to-pay/unlikely-to-pay-forborne, the latter two items (interest accrued in the last 6 months and default interest) may be deferred on the renegotiated loan. In this case, the deferment period may have a maximum term of 36 months and in any event not more than the residual term of the renegotiated loan. These items are non-interest-bearing, not subject to default even in the event of subsequent insolvency, and will be collected in instalments as of the first instalment following that of any interest-only instalment (in the event of a grace period). However, no exception to collection is permitted for performing loans or Proactive Credit
- The renegotiation is subject to confirmation of the guarantees pertaining to the operation.

2.5.3 First Home Guarantee Fund

The Servicer may seek the enforcement of the guarantee and adopt the other measures indicated in the 'First Home Guarantee Fund' as provided in Article 1, paragraph 48, letter (c) of Law No. 147 of 27 December 2013, the Interministerial Decree of 31 July 2014 and the Memorandum of Understanding of 8 October 2014 between the Ministry of Economy and Finance and the Italian Banking Association (ABI), to which Intesa Sanpaolo has adhered.

3. MANAGEMENT OF BAD LOANS

Once classified as bad loans, positions are taken over by the relevant internal or external credit recovery unit, which immediately adopts the most appropriate recovery initiatives.

At the time of deciding on credit recovery measures, both the judicial solutions and the extrajudicial solutions are carefully assessed in terms of cost-benefit analyses, also taking the financial effect of the estimated recovery times into consideration.

The analysis takes account of all available information, in particular:

- the verification of the correct formalisation of the contractual forms certifying the existence of credit relations with the client (correct conclusion of the loan and guarantees);
- the risks of revocation/inefficacy of guarantees and/or payments;
- the up-to-date value of the guarantees;

- the financial and economic/asset position of the client and any guarantors;
- the outcome of any initiatives undertaken by the Bank to dialogue with the client (meeting, responses to any written communications);
- the existence of insolvency proceedings.

The wide-ranging powers conferred, particularly for settlements, on the Head of Workout Management & Administration and on the managers of the units that report to them and to the Servicer (for externally managed positions), enables flexible and effective management of the recovery activities.

Legal actions for the recovery of bad loans are taken:

- directly, where possible, by ex parte claims (prompt inclusion in the liabilities, declarations of receivables in insolvency proceedings, etc.);

and

- by the appointment of external legal counsel for legal actions (e.g. payment orders, levy of execution against movable and immovable property, etc.).

The decision to grant a mandate to an external lawyer is, in principle, a matter for the heads of the competent units. As a general rule, any new assignment can only be entrusted to lawyers who are listed on the Register and who are signatories to the most recent convention.

Furthermore, in the case of high-value positions, and in the higher instances of proceedings than the first, specific authorisations are required for the choice of an external lawyer and for the procedural strategy to be adopted.

The relationship with the external legal counsel (governed, including in economic aspects, by an agreement) provides for (i) a frequent documentary and informative update on the main aspects of interest to the Bank (e.g. debtor's interest in an extrajudicial settlement of the dispute or the admission of the claim to the statement of liabilities) as well as (ii) monitoring of the work of the external counsel by legal practitioners, under the supervision and with the aid of the their heads of department.

With particular regard to recovery procedures typical of positions for a significant amount, when such a position is taken, an immediate review is conducted, taking all urgent and necessary measures to optimise the possibility of recovery of the loan, including through the acquisition of new guarantees (e.g. judicial liens).

The advisability of submitting an urgent bankruptcy application is also assessed, if it is useful to prevent the consolidation of guarantees or measures (e.g. payments) taken by the debtor in favour of third parties.

Following a necessary initial stage dedicated to the more urgent measures of protecting the loan, the best operating strategy to be implemented is drawn up in order to maximise recovery of the loan as soon as possible.

From this standpoint, it may be decided:

- to proceed with direct recovery of the individual loan (judicially or extra judicially);
- to proceed to 'without recourse' assignment of portfolios "en bloc" and of individual receivables of a significant amount, to leading national and international operators.

The choice of one of the above solutions does not, of course, preclude recourse to the others.

With reference to a possible assignment without recourse, the Bank's heads of management department maintain regular contact with the main investors operating in the sector of acquisitions of non-performing loans (NPLs).

This knowledge of the market makes it possible, also in the case of assignment of individual loans, to conclude the assignment agreement in very short timescales and under the best possible conditions.

However, if it is deemed preferable and more appropriate to proceed with direct recovery of the loan, the following options are available:

- extrajudicial proceedings

or

- judicial proceedings (aimed at individual enforcement and/or insolvency proceedings).

With regard to loans involving a significant sum, it is often the case that extrajudicial solutions, which do not rule out simultaneous recourse to judicial proceedings, are proposed by the debtor itself to the entire circle of lending banks.

During these meetings, the parent company's policy is generally to avoid recourse to "new finance", as it always prefers solutions that enable (if possible, also with the contribution of third party financial resources) a prompt settlement of the matter, since the time necessary to recover a loan obviously represents a burden for the Group banks.

If extrajudicial recovery is not considered possible or advisable, the advisability of undertaking individual enforcement or insolvency proceedings is assessed, depending on the specific situation (risks of revocation of guarantees and/or payments or advisability of bankruptcy in order to avoid the consolidation of guarantees acquired by third parties).

If the path of individual enforcement is preferred, every effort is made to enable a prompt sale of assets (including the option of assigning the compulsory sale procedure to a notary or other professionals).

In the event of insolvency proceedings, the timescales are less easily controlled but, in such cases also, attempts are made to speed up the sale and distribution of the assets, insofar as permitted by bankruptcy legislation.

For the management of bad loans entrusted to the Servicer, Brera Sec. S.r.l. is granted powers to be exercised independently within the scope of the rights indicated below, including filings and appearance in any type of legal action.

The Servicer will be entitled to perform part of its activities also through the structures of Intesa Sanpaolo.

Collections relating to the loans insured by AmTrust International Ltd

The payment of indemnities by the insurance company AmTrust International Ltd for high LTV loans (LTV from 80.01% to 100% at the time of disbursement of the loan) covered by an insurance policy is requested by the Servicer and normally only once all the activities for recovery of the receivables concerned have been performed (such as, for example, enforcement actions on the assets covered by the real estate guarantee, enforcement of any other accessory guarantees, practices relating to the compensation of other insured damages and related disputes).

Rights attributed to the Servicer on bad loans transferred to Brera Sec. S.r.l. by Intesa Sanpaolo S.p.A.

A) Rights regarding settlements and waivers of irrecoverable loans

The Servicer shall be entitled, through its own units and its own employees specifically mandated for the purpose, even if seconded by Intesa Sanpaolo Group companies, to:

- authorise, in respect of individual loans, the write-off of bad loans and settlements involving cash or non-cash collections (non-cash settlements are understood as those involving taking over of a debt) provided that the waiver (gross amount of the loan minus collection provided for, including the possible financial effect of discounting of repayment plans/moratoria) does not exceed the sum of €10,000,000 (ten million Euro); this condition does not apply in the event of the write-off of bad debts following the closure of individual insolvency and/or arrangement proceedings, in the context of value adjustments already approved, which may be authorised without any limits on the amount.

All of the foregoing authorising:

- waivers of any condition, within the limits set out above (including by means of the assignment of receivables to third parties in any manner and condition), terminations of loans, adherence to procedures for composition with creditors, bankruptcy and extraordinary administration, as well as debt restructuring agreements, including those provided for in Article 182 bis of Royal Decree No. 267 of 16 March 1942 (the Bankruptcy Act), agreements to recovery plans pursuant to Article 67, paragraph 3 letter d) of the said Bankruptcy Law, as well as payment extensions/moratoria, or the application of preferential rates (including at a zero rate);

- waivers of deeds of enforcement, substitutions, cancellations, subordinations, reductions, restrictions, divisions into portions of loans or divisions of the relevant mortgages with a reduction in guarantee, any other formality relating to the mortgages, registrations, including repossession, and liens placed in favour of the Bank, even if the loan has not been discharged and the authorisation itself has not been subjected to full settlement of the loan;

- return of sums as due;

- waivers relating to the gross value of the loans (sum entered in the accounts gross of any write-downs), as disbursements to be made in settlement of third party claims and entry in the accounts of sums comprising contingent liabilities and/or non-existence of the claim, when it does not constitute a due act.

B) Rights regarding value adjustments

The Servicer is entitled, through its own units and its own employees specifically delegated by it, even if seconded by Intesa Sanpaolo Group companies, to authorise adjustments to the value of the loan up to a maximum amount of €10,000,000 (ten million Euro) in respect of each individual client.

C) Rights regarding reported tax, judicial and extrajudicial losses

The Servicer shall be entitled, through its own units and its own employees specifically mandated for the purpose, even if seconded by Intesa Sanpaolo Group companies, to:

- authorise financial statement provisions for judicial and extrajudicial claims made by third parties or in the event of risks of loss, up to a maximum amount, per individual litigation, of €3,000,000 (three million Euro);

- settle judicial or extrajudicial disputes, or prevent them, by means of disbursements in settlement of third party claims, and order the possible entry in the accounts of contingent liabilities or waivers of loans (without prejudice in any event to the rights regarding settlements

and waivers of irrecoverable loans) up to a maximum limit, including interest, legal expenses and ancillary costs, per individual case, of €1,000,000 (one million Euro);

- order payments relating to the aforesaid charges due following orders issued by the judicial, administrative or tax authorities up to a maximum amount of €10,000,000 (ten million Euro) per individual case.

D) Rights regarding the payment of duties and taxes

The Servicer is entitled, through its own units and its own employees specifically delegated by it, even if seconded by Intesa Sanpaolo Group companies, to order payments in favour of the tax authorities for indirect taxes associated with bad loans ("sofferenze").

E) Further rights

The Servicer is also entitled to authorise any judicial, administrative and enforcement action in any competent place and at any level of jurisdiction, with the right to abandon it, to withdraw from acts and actions and to accept similar withdrawals or waivers by other parties to the proceedings, with all resulting rights and, more generally, to take all necessary measures, in any place, for the best protection, including judicial protection, of the loans.

F) Rights regarding legal expenses

The Servicer may order expense facilities of up to a limit of €500,000 (five hundred thousand Euro) per individual facility.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 15 September 2017 as a *società a responsabilità limitata* for the purpose of carrying out securitisation transactions and issuing asset backed securities. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via V. Alfieri n. 1, 31015 Conegliano (TV) Italy. The fiscal code and enrolment number with the companies register of Treviso-Belluno is 04899480265. The Issuer's telephone number is +390438360926. The Issuer's website is www.securitisation-services.com (for the avoidance of doubt, such websites does not constitute part of this Prospectus). The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under registration No. 35393.8.

The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is Euro 10,000 fully paid up and held by Stichting Saronno for the amount of Euro 9,500 and Intesa Sanpaolo S.p.A. for the amount of Euro 500. Stichting Saronno is a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

The Issuer has not declared or paid any dividends or, save as otherwise described in this Prospectus, incurred any indebtedness.

First Previous Securitisation

In December 2017 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the "**First Previous Securitisation**"). In the context of the First Previous Securitisation the Issuer has purchased five portfolios of receivables deriving from residential mortgage loans originated by each of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (before its merger into ISP occurred on 26 November 2018), Cassa di Risparmio in Bologna S.p.A., Cassa di Risparmio del Friuli Venezia Giulia S.p.A. and Cassa dei Risparmi di Forlì e della Romagna S.p.A. (the "**First Previous Securitisation Portfolio**"). The outstanding principal of the First Previous Securitisation Portfolio as at the relevant effective date (being 23 October 2017) was equal to Euro 7,111,794,663.70.

Under the First Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071; and (b) Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071 (the "**First Previous Securitisation Notes**").

Second Previous Securitisation

In December 2018 the Issuer carried out a securitisation transaction pursuant to the Securitisation Law (the "**Second Previous Securitisation**" and together with the First Previous Securitisation, the "**Previous Securitisations**"). In the context of the Second Previous Securitisation the Issuer has purchased four portfolios of receivables deriving from secured loans and unsecured loans granted to small and medium-sized enterprises and originated by each of Intesa Sanpaolo S.p.A., Banco di Napoli S.p.A. (before its merger into ISP occurred on 26 November 2018), Cassa di Risparmio in Bologna S.p.A. and Banca CR Firenze S.p.A. (the "**Second Previous Securitisation Portfolio**" and together with the First Previous Securitisation Portfolio, the "**Previous Securitisations Portfolios**"). The

outstanding principal of the Second Previous Securitisation Portfolio as at the relevant effective date (being 22 October 2018) was equal to Euro 5,289,492,033.84.

Under the Second Previous Securitisation, the Issuer issued the following asset backed notes: (a) Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070; and (b) Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070 (the "**Second Previous Securitisation Notes**" and together with the First Previous Securitisation Notes, the "**Previous Securitisations Notes**").

Apart from the Previous Securitisations and the purchase of the Portfolio, the Issuer did not trade during the period from 15 September 2017 to the date hereof, nor did it receive any income nor, save as otherwise described in this Prospectus, did it incur any indebtedness (other than the Issuer's costs and expenses of incorporation and costs related to the purchase of the relevant portfolios recorded as credits towards the Previous Securitisation and the Securitisation), nor did it pay any dividends.

Issuer's principal activities

The sole corporate object of the Issuer as set out in article 3 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*) and issue asset backed securities.

The Issuer was established in Italy as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in Condition 5 (*Covenants*).

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Chairman of the board of directors	Andrea Fantuz, an employee of FISG S.r.l., a company providing services related to securitisation transactions. The domicile of Andrea Fantuz, in his capacity of chairman of the board of directors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Director	Luigi Bussi, managing director of Securitisation Services S.p.A., a company providing services related to securitisation transactions. The domicile of Luigi Bussi, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Director	Alessandro Chieffi, an employee of Intesa Sanpaolo S.p.A. The domicile of Alessandro Chieffi, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The current statutory auditors of the Issuer are:

Chairman of the board of statutory auditors	Lodovico Tommaseo Ponzetta, accountant and auditor (*commercialista e revisore contabile*). The domicile of Lodovico Tommaseo Ponzetta, in his capacity of chairman of the board of statutory auditors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Vittorio Da Ros, accountant and auditor (*commercialista e revisore contabile*). The domicile of Vittorio Da Ros, in his capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Elena Fornara, an employee of Intesa Sanpaolo S.p.A. The domicile of Elena Fornara, in her capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The Quotaholders' Agreement

In the context of the First Previous Securitisation, on 11 October 2017, the Issuer and the Quotaholders entered into the the Quotaholders' Agreement pursuant to which each of the Quotaholders has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The provisions of the Quotaholders' Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Quotaholders' Agreement entered into on or about the date on which the Second Previous Securitisation Notes have been issued by the Issuer.

The provisions of the Quotaholders' Agreement have been further extended to the Securitisation by the Second Agreement for the Extension of the Quotaholders' Agreement entered into on or about the Issue Date.

The Quotaholders' Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

The Issuer believes that the provisions of the Quotaholders' Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholders in the quota capital of the Issuer is not abused.

Accounts of the Issuer and accounting treatment of the Portfolio

Pursuant to the applicable accounting principles, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year ending on 31 December 2017.

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes, is as follows:

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000.00
Loan Capital (First Previous Securitisation)	**Euro**
Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071	4,771,446,995
Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071	1,067,309,000
Subordinated Loan	122,862,998
Loan Capital (Second Previous Securitisation)	**Euro**
Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070	1,890,210,450
Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070	1,529,719,000
Subordinated Loan	45,282,512
Loan Capital (Securitisation)	**Euro**
Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072	6,650,000,000
Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072	859,500,000
Subordinated Loan	133,000,000

Subject to the above, as at the date of this Prospectus, the Issuer has no borrowings or indebtedness in respect 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, nor has the Issuer created any mortgages or charges or given any guarantees.

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. The first financial year ended on 31 December 2017 and the second financial year ended on 31 December 2018. For the Issuer's financial statement dated 31 December 2017 and 31 December 2018 please see section "*Documents incorporated by reference*" below.

KPMG S.p.A. has been appointed as the external auditors of the Issuer.

KPMG S.p.A. is a member of Assirevi, the Italian association of auditors, and is included in the register of certified auditors (Registro dei revisori legali) at the Ministry of Economy and Finance pursuant to Legislative decree No. 39/10 and established by Ministerial Decree No.145 of 2012.

THE CALCULATION AGENT, THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE CORPORATE SERVICES PROVIDER

Securitisation Services S.p.A. will act as Calculation Agent, Representative of the Noteholders and Corporate Services Provider under the transaction.

Securitisation Services S.p.A. is a company with a sole shareholder incorporated under the laws of the Republic of Italy as a "*società per azioni*", share capital of Euro 2,000,000.00 fully paid-up, having its registered office at Via Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno number 03546510268, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered under number 50 in the register of the financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "Gruppo Banca Finanziaria Internazionale", registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act, subject to the activity of direction and coordination (soggetta all'attività di direzione e coordinamento) of Banca Finanziaria Internazionale S.p.A. pursuant to article 2497 of the Italian civil code.

Securitisation Services S.p.A. is a professional Italian dealer specialising in managing and monitoring securitisation transactions. In particular, Securitisation Services S.p.A. acts as servicer, corporate servicer, calculation agent, programme administrator, representative of the noteholders, back-up servicer, back-up servicer facilitator, back-up calculation agent in several structured finance deals.

In the context of this transaction, Securitisation Services S.p.A. acts as Calculation Agent, Representative of the Noteholders and Corporate Services Provider.

Securitisation Services S.p.A. is subject to the auditing activity of Deloitte & Touche S.p.A.

The information contained in this section of this Prospectus relates to and has been obtained from Securitisation Services S.p.A. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Securitisation Services S.p.A., no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Securitisation Services S.p.A. since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 7,509,500,000.00 and will be applied by the Issuer to pay to the Originator the principal component of the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement. Any remaining amount (deriving from any rounding adjustment) will be credited to the Payment Account.

COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 of the Securitisation Regulation, a number of requirements must be met if the Originator and the Issuer wish to use the designation "STS" or "simple, transparent and standardised" for securitisation transactions initiated by them.

No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future. None of the Issuer, the Originator, the Reporting Entity, the Arrangers, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation at any point in time in the future.

Without prejudice to the above, prospective investors in the Notes should be aware that, on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Prospectus (including with regard to the risk retention requirements under article 6 of the Securitisation Regulation, transparency obligations imposed under article 7 of the Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the Securitisation Regulation), and subject to any changes made therein after the date of this Prospectus:

(a) for the purpose of compliance with article 20(1) of the Securitisation Regulation, pursuant to the Receivables Purchase Agreement the Originator has assigned and transferred without recourse (*pro soluto*) to the Issuer, which has purchased, in accordance with articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the Portfolio. The transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 116 Part II of 3 October 2019, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 30 September 2019 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"). The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arrangers, which may be disclosed to any relevant competent authority referred to in article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria;

(b) for the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, under the Subscription Agreement the Originator has represented that is a credit institution (as defined in article 1.1 of Directive 2000/12/EC) with its "home Member State" (as that term is defined in article 2 of Directive 2001/24/EC on the re-organisation and winding up of credit institutions by reference to article 1.6 of Directive 2000/12/EC) in the Republic of Italy (see also the section headed "*Description of the Transaction Documents – The Subscription Agreement*"); therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;

(c) with respect to article 20(4) of the Securitisation Regulation, the Receivables arise from Mortgage Loans that have been granted by: (1) ISP; or (2) Banca Cassa di Risparmio di Firenze

S.p.A. which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (3) Banco di Napoli S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (4) Cassa di Risparmio in Bologna S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (5) Cassa di Risparmio del Veneto S.p.A., which was taken over by ISP as legal successor from 23 July 2018, as result of a merger; or (6) Banca di Credito Sardo S.p.A., which was taken over by Intesa Sanpaolo as legal successor from 10 November 2014, as result of a merger; or (7) Banca dell'Adriatico S.p.A., which was taken over by ISP as legal successor from 16 May 2016, as result of a merger; or (8) Cassa di Risparmio di Pistoia e della Lucchesia S.p.A., which was taken over by ISP as legal successor from 25 February 2019, as result of a merger; or (9) Cassa di Risparmio di Venezia S.p.A., which was taken over by ISP as legal successor from 10 November 2014, as result of a merger; or (10) Cassa dei Risparmi di Forlì e della Romagna S.p.A., which was taken over by ISP as legal successor from 26 November 2018, as result of a merger; or (11) Banca di Trento e Bolzano S.p.A., which was taken over by ISP as legal successor from 20 July 2015, as a result of a merger; or (12) Cassa di Risparmio di Viterbo S.p.A. which was taken over by ISP as legal successor from 23 November 2015, as result of a merger; or (13) Cassa di Risparmio di Rieti S.p.A. which was taken over by ISP as legal successor from 23 November 2015, as result of a merger; or (14) Cassa di Risparmio dell'Umbria S.p.A. which was taken over by ISP as legal successor from 21 November 2016, as result of a merger; or (15) Cassa di Risparmio del Friuli Venezia Giulia S.p.A. which was taken over by ISP as legal successor from 23 July 2018, as result of a merger (for further details, see the section headed "*The Portfolio - The Criteria*"). Consequently, the requirement provided for under article 20(4) of the Securitisation Regulation is met.

(d) with respect to article 20(5) of the Securitisation Regulation, the transfer of the Receivables has been rendered enforceable against the Debtors and any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette No. 116 Part II of 3 October 2019, and (ii) the registration of the transfer in the companies' register of Treviso-Belluno on 30 September 2019 (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"); therefore, the requirements of article 20(5) of the Securitisation Regulation are not applicable;

(e) with respect to article 20(6) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Receivables Purchase Agreement, and is freely transferable to the Issuer. (for further details, see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(f) for the purpose of compliance with article 20(7) of the Securitisation Regulation, the disposal of Receivables from the Issuer is permitted solely following the delivery of a Trigger Notice, in accordance with Condition 13.3 (*Sale of Portfolio*) and with the relevant provisions of the Intercreditor Agreement, provided that the Originator under the Transaction Documents has

certain option rights connected with the purchase of single Receivables or, as the case may be, the Portfolio. Therefore, none of the Transaction Documents provide for (i) a portfolio management which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of the portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) a portfolio management which is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. In addition, there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the sections headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*")

(g) for the purpose of compliance with article 20(8) of the Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, the Receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (i) the Receivables have been originated by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator), as lender, in accordance with loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the Receivables; (ii) the Receivables have been serviced by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) according to similar servicing procedures; (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over Real Estate Assets and therefore fall in the asset category named "residential mortgages" provided under article 2(a) of the Regulatory Technical Standards on the homogeneity of the underlying exposures; and (iv) within the category "residential mortgages" pursuant to article 2(a) of the Regulatory Technical Standards on the homogeneity for the underlying exposures, the Receivables met the homogeneity factor provided for by article 3(c) of the Regulatory Technical Standards on the homogeneity for the underlying exposures, i.e. the Receivables are secured by Mortgages over Real Estate Assets located in the Republic of Italy. In addition, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) as at the Signing Date, the Receivables comprised in the Portfolio contain obligations that are contractually binding and enforceable with full recourse to the Debtors and, where applicable, the Guarantors; (ii) the Mortgage Loans provide for a repayment through constant instalments payable monthly, quarterly or semi-annually as determined in the relevant Mortgage Loan Agreement; and (iii) as at the Signing Date, the Portfolio does not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU (for further details, see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(h) for the purpose of compliance with article 20(9) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, the Portfolio does not comprise any securitisation positions (for further details, see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(i) for the purpose of compliance with article 20(10) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) the Receivables have been originated by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) in the ordinary course of its business; (ii) as at the Signing Date, the Receivables comprised in the Portfolio have been selected by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) in accordance with credit policies that are not less stringent than the credit policies applied by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) at the time of origination to similar exposures that are not assigned under the Securitisation; (iii) as at the Signing Date, the Portfolio does not comprise loans that are marketed and underwritten on the premise that the loan applicant was made aware that the information provided by the loan applicant might not be verified by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator); (iv) the Originator (or, as the case may be, the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC; and (v) the Originator has a more than 5 (five) year-expertise in originating exposures of a similar nature to the Receivables. In addition, there are no exposures that can be sold to the Issuer after the Issue Date in respect of which the Originator should fulfil the obligation to disclose without undue delay any material changes from prior underwriting standards (for further details, see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(j) for the purpose of compliance with article 20(11) of the Securitisation Regulation, the Portfolio has been selected on the Cut-Off Date and transferred to the Issuer on the Signing Date. Under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the Signing Date, the Portfolio does not include Receivables qualified as exposure in default within the meaning of article 178, paragraph 1, of Regulation (EU) No. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of the Originator's knowledge (i) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Signing Date, except if: (A) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Signing Date; and (B) the information provided by the Originator in accordance with points (a) and (e)(i) of the first subparagraph of article 7(1), of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; or (ii) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history available to the Originator (or, as the case may be, to the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator); or (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned

under the Securitisation (for further details, see the sections headed "*The Portfolio*" and "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(k) for the purpose of compliance with article 20(12) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Signing Date, the Receivables arise from Mortgage Loans in respect of which at least one payment has been made by the relevant Debtor for whatever reason (for further details, see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(l) for the purpose of compliance with article 20(13) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted as at the Signing Date that, in order to determine the creditworthiness of the relevant Debtor, the Originator (or, as the case may be, the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) has not based its assessment predominantly on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of the Real Estate Assets (for further details, see the section headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*");

(m) for the purpose of compliance with article 21(1) of the Securitisation Regulation, under the Intercreditor Agreement the Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the section headed "*Regulatory Disclosure and Retention Undertaking*");

(n) for the purpose of compliance with article 21(2) of the Securitisation Regulation, in order to mitigate any interest rate risk connected with the Senior Notes, the Conditions provide that the Senior Notes Interest Rate is subject to (i) a floor of 0 (zero) so that, if the Senior Notes Interest Rate falls below 0 (zero), the applicable rate of interest shall be equal to 0 (zero), (ii) a cap at a fixed rate of 2.15 per cent. per annum so that the Senior Notes Interest Rate shall never exceed such fixed rate (for further details, see Condition 7.5 (*Rate of Interest*)). In addition, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the Signing Date, the Portfolio does not comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes of any Class, it shall not enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*" and Condition 5 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that all Mortgage Loan Agreements are denominated in Euro and do not contain provisions which allow for the conversion into another currency, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*", "*Transaction Overview*" and "*Terms and Conditions of the Notes*");

(o) for the purpose of compliance with article 21(3) of the Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that pursuant to the Mortgage Loan Agreements, the interest calculation methodologies related to the Mortgage Loans are based on or generally used sectoral rates reflective of the cost of funds, and do not refer to complex formulae or derivatives; and (ii) the rate of interest applicable to the Senior Notes is calculated by reference to EURIBOR (for further details, see the sections headed "*Description of the Transaction Documents – The Warranty and Indemnity Agreement*" and Condition 7.5 (*Rate of Interest*)); therefore, any referenced interest payments under the Receivables and the Notes are based on generally used market interest rates and do not reference complex formulae or derivatives;

(p) for the purpose of compliance with article 21(4) of the Securitisation Regulation, (A) following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) the Senior Notes will continue to rank, as to repayment of principal, in priority to the Junior Notes as before the delivery of a Trigger Notice; and (iii) the Issuer shall, if so directed by the Representative of the Noteholders, sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and the relevant provisions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 6.2 (*Post Enforcement Priority of Payments*), Condition 12.2 (*Delivery of a Trigger Notice*), Condition 12.4 (*Consequences of delivery of a Trigger Notice*)), Condition 13.3 (*Sale of Portfolio*) and the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*");

(q) both prior and following the service of a Trigger Notice, the Senior Notes will rank, as to repayment of principal, in priority to the Junior Notes (for further details, see Condition 6.1 (*Pre Enforcement Priority of Payments*) and Condition 6.2 (*Post Enforcement Priority of Payments*)); the payment of interest on the Junior Notes is fully subordinated to repayment of principal on the Senior Notes when the Post Enforcement Priority of Payments applies and after the occurrence of a Pass-Through Condition which occurs when the Default Ratio is higher than 8%, consistently with the requirements of article 21(5) of the Securitisation Regulation;

(r) there are no exposures that can be sold to the Issuer after the Issue Date (for further details, see the section headed "*Description of the Transaction Documents – The Receivables Purchase Agreement*"); therefore, the requirements of article 21(6) of the Securitisation Regulation are not applicable;

(s) for the purpose of compliance with article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*", "*Description of the Transaction Documents – The Corporate and Administrative Services Agreement*", "*Description of the Transaction Documents – The*

Mandate Agreement" and "*Terms and Conditions of the Notes*"). In addition, the Servicing Agreement contain provisions aimed at ensuring that a default by or an insolvency of the Servicer does not result in a termination of the servicing activities, including provisions regulating the replacement of the defaulted or insolvent Servicer with any successor servicer (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*"). Finally, the Cash Allocation, Management and Payments Agreement contain provisions aimed at ensuring the replacement of the Account Bank in case of its default, insolvency or other specified events (for further details, see the sections headed "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*");

(t) for the purpose of compliance with article 21(8) of the Securitisation Regulation, under the Servicing Agreement (i) the Servicer has represented and warranted that it has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines; and (ii) the successor servicer shall, *inter alia*, have expertise in servicing exposures of a similar nature to those securitised for and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures, in accordance with article 21(8) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*");

(u) for the purpose of compliance with article 21(9) of the Securitisation Regulation, the Servicing Agreement and the Credit and Collection Policy attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*" and "*Credit and Collection Policy*"). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Servicing Agreement, the Servicer has undertaken to provide, without delay, the Issuer, the Reporting Entity and the Calculation Agent with the information referred to under article 7, paragraph 1, letter (f) and (g) of the Securitisation Regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards (for further details, see the section headed "*Description of the Transaction Documents – The Servicing Agreement*"). Furthermore, pursuant to the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement, (i) the Calculation Agent has undertaken to prepare, on or prior to each Investors Report Date, the Investors Report setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and (ii) subject to receipt of the Investors Report from the Calculation Agent, the Reporting Entity has undertaken to make it available to the investors in the Notes through the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) or the Data Repository (if appointed) (for further details, see the sections headed, "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*");

(v) for the purposes of compliance with article 21(10) of the Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed "*Terms and Conditions of the Notes*");

(w) for the purposes of compliance with article 22(1) of the Securitisation Regulation, under the Intercreditor Agreement the Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) in case of transfer of any Notes by ISP to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*");

(x) for the purposes of compliance with article 22(2) of the Securitisation Regulation, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found (for further details, see the section headed "*The Portfolio – Pool Audit*");

(y) for the purposes of compliance with article 22(3) of the Securitisation Regulation, under the Intercreditor Agreement the Originator (i) has confirmed that, as initial holder of the Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) in case of transfer of any Notes by ISP to third party investors after the Issue Date, has undertaken to make available to such investors before pricing on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) GMBH, a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the

Issuer (for further details, see the section headed "*Description of the Transaction Documents – The Intercreditor Agreement*").

(z) for the purposes of compliance with article 22(4) of the Securitisation Regulation, pursuant to the Servicing Agreement and the Intercreditor Agreement, the Servicer has undertaken to prepare the Loan by Loan Report setting out information relating to each Mortgage Loan in respect of the immediately preceding Collection Period (including, *inter alia*, the information related to the environmental performance of the Real Estate Assets (if available)), in compliance with the Securitisation Regulation and the applicable Regulatory Technical Standards, and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significative Event Report) to the investors in the Notes by no later than one month after each Payment Date through the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) or the Data Repository (if appointed) (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*");

(aa) for the purposes of compliance with article 22(5), under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents. Each of the Issuer and the Originator has agreed that the Originator is designated and will act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity as Reporting Entity, the Originator shall fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information: (i) until the Data Repository is appointed by the Reporting Entity, on the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) (for the avoidance of doubt, such website does not constitute part of this Prospectus); and (b) after the Data Repository is appointed by the Reporting Entity, on the Data Repository. As to pre-pricing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement (A) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and (B) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing: (1) through the Data Repository appointed by the Reporting Entity or, if the Data Repository has

not been appointed by the Reporting Entity, on the Temporary Website, the information under point (a) of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets (if available)) upon request and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, and (2) on the website of European DataWarehouse GMBH (being as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, (i) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria. As to post-closing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the relevant Parties have acknowledged and agreed as follows (A) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date; (B) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date; (C) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significative Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significative Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and (D) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final

Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession), in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*").

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is an overview of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request at the specified office of each of the Representative of the Noteholders and the Paying Agent.

1. THE RECEIVABLES PURCHASE AGREEMENT

On 25 September 2019, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Portfolio.

The Purchase Price for the Portfolio payable pursuant to the Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Portfolio. The Individual Purchase Price for each Receivable is equal to the nominal amount of the Receivables as at the Effective Date under the relevant Mortgage Loan Agreement, plus the interest accrued but unpaid as at the Effective Date. Under the Receivables Purchase Agreement, the Purchase Price of the Portfolio is payable by the Issuer to the Originator on the Issue Date, provided that the formalities set out in clauses 7.1 and 9.1 of the Receivables Purchase Agreement have been completed.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio – The Criteria*". The sale of the Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer of the Portfolio was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 116 of 3 October 2019 and was registered in the companies register of Treviso-Belluno on 25 September 2019.

The Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of their activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and, in particular, not to assign or transfer the Receivables to any third party or to create any Security Interest in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Mortgage Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables or the then current rating of the Senior Notes, save in the event such modifications or cancellations are provided for by the Servicing Agreement or required by law.

Further, under the Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase the Portfolio (in whole but not in part) from the Issuer, without recourse (*pro soluto*) and in accordance with article 58 of the Consolidated Banking Act, on the Clean Up Option Date (included) and on any Payment Date thereafter, provided that the repurchase price of the residual Portfolio is sufficient to redeem (a) all the Notes, (b) any accrued but unpaid interest due in respect of the Notes and

(c) any amount required to be paid under the Pre Enforcement Priority of Payments in priority to or *pari passu* with the Class B Notes. Such option right may be exercised subject to the Originator delivering to the Issuer (a) a solvency certificate issued by the Originator, (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator and (c) a solvency certificate issued by the competent *Tribunale Ordinario - Sezione Fallimentare* for the registered office of the Originator. The above certificates must be dated not earlier than 10 Business Days before the date of the exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to Article 12.1 of the Receivables Purchase Agreement).

In addition, under the Receivables Purchase Agreement, in order to allow the Originator to maintain good relationships with its customers and for other commercial needs of the Originator and with a view at avoiding, to the extent possible, discriminations between the Debtors and the other borrowers of the Originator, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limit of (a) in respect of the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date, and (b) in respect of Receivables other than the Defaulted Receivables, 5% of the aggregate of the Outstanding Principal of the Portfolio as at the Effective Date. In addition, such option right may be exercised subject to the Originator delivering to the Issuer (with copy to Representative of the Noteholders and the Rating Agencies) (a) a solvency certificate issued by the Originator, (b) a certificate issued by the companies' register (*Camera di Commercio Industria Artigianato Agricoltura - Ufficio del Registro delle Imprese - Certificati di iscrizione nella sezione ordinaria abbreviata*) of the registered office of the Originator and (c) a solvency certificate issued by the competent *Tribunale Ordinario - Sezione Fallimentare* for the registered office of the Originator, in each case dated not earlier than 10 Business Days before the date of the relevant exercise of such repurchase right (i.e. the date on which the Originator repurchases the Portfolio pursuant to Article 12.2 of the Receivables Purchase Agreement).

The Receivables Purchase Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

Pursuant to the Receivables Purchase Agreement there are no exposures that can be sold by the Originator to the Issuer after the Issue Date.

2. THE SERVICING AGREEMENT

On 25 September 2019, the Originator and the Issuer entered into the Servicing Agreement pursuant to which the Issuer has appointed the Originator as Servicer of the Receivables included in the Portfolio. The receipt of the Collections related to the Portfolio is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit to the Collection Account any amounts collected from the Receivables included in the Portfolio, within the second Business Day following the date on which such amounts have been so collected. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law.

In accordance with the Servicing Agreement, the Servicer will be responsible for ensuring that such operations comply with the applicable law and this Prospectus, pursuant to article 2, paragraph 6-*bis* of the Securitisation Law. In such capacity, ISP will also, *inter alia*:

(a) classify as Defaulted Receivables the Receivables which meet the requirement set out in the Transaction Documents; and

(b) prepare and deliver:

(i) to the Issuer, the Administrative Services Provider, the Corporate Services Provider and the Reporting Entity, the Monthly Servicer Report (also with a view to include the further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the Securitisation Regulation and in compliance with the Regulatory Technical Standards);

(ii) to the Issuer, the Account Bank, the Calculation Agent, the Representative of the Noteholders, the Paying Agent, the Administrative Services Provider, the Corporate Services Provider, the Reporting Entity, the independent auditor from time to time appointed by the Issuer and the Rating Agencies, the Quarterly Servicer's Report (also with a view to include the further information which may be required for the preparation of the reports requested by article 7, paragraph 1 of the Securitisation Regulation and in compliance with the Regulatory Technical Standards); and

(iii) to the Issuer, the Reporting Entity and the Rating Agencies, the Loan by Loan Report in compliance with the Securitisation Regulation and the Regulatory Technical Standards in order to include the information necessary for the preparation of the reports requested under article 7, paragraph 1 and article 22, paragraph 4 of the Securitisation Regulation and the application of the applicable Regulatory Technical Standards,

each of the above report containing a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio. In addition, the Servicer has undertaken to provide for and to insert into the Monthly Servicer Report, Quarterly Servicer's Report, Loan by Loan Report (or to prepare and deliver specific reports) the information from time to time requested by the European Central Bank's applicable regulation, the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, the Servicer has undertaken to provide, without delay, the Issuer, the Reporting Entity and the Calculation Agent, with the information referred to under article 7, paragraph 1, letter (f) and (g) of the Securitisation regulation that it has become aware of in the manner requested by the applicable Regulatory Technical Standards.

Furthermore, under the Servicing Agreement, the Servicer will be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement, any activities related to the management, enforcement and recovery of the Defaulted Receivables which, in accordance with Article 2.3.1 of the Servicing Agreement and with the Bank of Italy's supervisory regulations, may be sub-delegated by the Servicer to a third party, provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that they have all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicing Agreement further provides for the possibility for the Servicer to renegotiate, subject to certain limitations and conditions specified in the Servicing Agreement and in accordance with the Credit and Collection Policy, the Mortgage Loan Agreements. In addition, under certain circumstances, the Servicer is permitted to grant to the Debtors the suspension of payment of the instalments due under the relevant Mortgage Loans. For further details, see the sections headed "*Risk Factors – Changes in the Portfolio composition*" and "*Risk Factors – Yield and payment considerations*".

The Servicer has undertaken to use all due diligence to maintain all accounting records relating to the Receivables and, as the case may be, the Defaulted Receivables and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

In return for the services provided by the Servicer, the Issuer will pay to the Servicer on each Payment Date, in accordance with the applicable Priority of Payments:

(a) for the activity of administration, management and collection of the performing Receivables (*crediti in bonis*), an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(b) for the activity of administration, management, collection and recovery of the non performing Receivables (*crediti non in bonis*) different from the Receivables classified *in sofferenza*, an annual fee to be calculated as 0.25% (plus VAT, if applicable) of the Collections received by the Issuer through the Servicer on the relevant Receivables during the Collection Period immediately preceding such Payment Date;

(c) for the activity of monitoring, information and reporting, an annual fee equal to Euro 5,000.00 (including VAT if applicable) payable on a quarterly basis on each Payment Date.

The Issuer may terminate the Servicer's appointment, by delivering a notice to such effect to the Servicer, following a prior notice to the Representative of the Noteholders and the Rating Agencies, specifying the relevant effective termination date, if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include the following events:

(a) an Insolvency Event occurs with respect to the Servicer;

(b) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, and the continuation of such failure for a period of 7 Business Days following (i) the date on which such failure has occurred or (ii) the receipt of the notice delivered by the Issuer to the Servicer and the Representative of the Noteholders, requesting to remedy such a failure;

(c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is, or will be, a party, has been proved to be untrue, false or deceptive in any material respect and such default (at sole discretion of the Representative of the Noteholders) may materially prejudice the interests of the Issuer or the Noteholders;

(d) failure by the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 5 Business Days after the relevant due date thereof and cannot be attributed to force majeure;

(e) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is, or will be, a party;

(f) the 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 servicer in the context of a securitisation transaction.

The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the obligations arising from the Servicing Agreement if on such date a successor servicer is not appointed by the Issuer or it has not accepted the appointment.

The Servicer has undertaken to take all actions in order to enable the relevant successor servicer to perform its duties as Servicer pursuant to its appointment and to assist and cooperate with it for such purpose.

Promptly after the date on which the revocation of the Servicer produces its effects, the Servicer shall, *inter alia*, (i) make available, at its costs and expenses, to the Issuer or the relevant successor servicer, all the Documentation, (ii) transfer to the Collection Account, any and all amounts received in respect of the Receivables but not already credited on it, and (iii) promptly deliver to the successor servicer the bill of exchange, the promissory notes and the cheques not presented for collection. In addition, the Servicer or the relevant successor servicer shall communicate to each of the Debtors and the insurance companies the appointment of the successor servicer and the details of the Collection Account, within 15 calendar days from the receipt of the termination notice.

Following the occurrence of a Servicer Termination Event, the Issuer is entailed to appoint as successor servicer, any entity which fulfill the following requirements:

(a) be an entity meeting the requirements set out under the Securitisation Law, the Securitisation Regulation, the Regulatory Technical Standards, the EBA Guidelines on STS Criteria and the Bank of Italy applicable regulation to act as a servicer in a securitisation transaction;

(b) be an entity whose appointment does not result in a lowering of the rating at that time assigned to the Senior Notes in the opinion (which may not be expressed) of the Rating Agencies;

(c) be an entity who has and is able to use, in the performance the management of the mortgage loans, a software compatible with the one used up to that moment by the replaced Servicer;

(d) be an entity who is able to ensure, directly or indirectly, the efficient and professional maintenance of a single computer database (archivio unico informatico) provided for by Italian anti-money laundering law and, if required to the Issuer by such law, the production of the information necessary for the reports required by the Bank of Italy; and

(e) be an entity that has experience in managing exposures of a similar nature to the Receivables and has established well-documented and adequate risk management policies, procedures and controls relating to the management of such exposures, in accordance with Article 21(8) of the Securitisation Regulation and in accordance with the EBA Guidelines on STS Criteria.

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 25 September 2019, the Issuer and the Originator entered into the Warranty and Indemnity Agreement pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

Representation and warranties given by the Originator

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator in respect of the following categories:

(a) status and power to execute the relevant Transaction Documents;

(b) existence and legal ownership of the Receivables;

(c) transfer of the Receivables and Transaction Documents;

(d) Mortgage Loan Agreements and Guarantees;

(e) Mortgage Loans;

(f) compliance with the Applicable Privacy Law;

(g) Mortgages;

(h) Insurance Policies;

(i) Real Estate Assets; and

(j) other representations and warranties.

Under the Warranty and Indemnity Agreement the Originator has represented and warranted, inter alia, as follows:

Existence and legal ownership of the Receivables:

- the Receivables are existing and constitute valid, legitimate, enforceable obligations for the full nominal amount assigned (as indicated in the List of the Receivables (*Prospetto dei Crediti*), binding and enforceable with full right of recourse against the Debtors and, where applicable, the Guarantors;

- as at the Signing Date, each Receivable is fully and unconditionally owned and available directly to the Originator and, to the best of the Originator's knowledge, is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Receivables Purchase Agreement, and is therefore freely transferable to the Issuer;

- the Originator has not assigned, participated, charged, transferred (whether absolutely or by way of security) or otherwise disposed of any of the Mortgage Loan Agreements, the Mortgages, the Collateral Guarantees, the Insurance Policies, or terminated, waived or amended any of the Mortgage Loan Agreements, the Collateral Guarantees and the Insurance Policies or otherwise created or allowed creation or constitution of any further lien, pledge, encumbrance, security interest, arrangement or other right, claim or beneficial interest of any third party on any of the Mortgage Loan Agreements, the Mortgages, the Collateral Guarantees and the Insurance Policies other than those provided in the Transaction Documents to which it is a party;

- there are no clauses or provisions in the Mortgage Loan Agreements, pursuant to which any right or faculty is recognised to the Debtors as a consequence of the transfer of the Receivables;

- the Receivables arise from Mortgage Loan Agreements which, as at the Cut-Off Date, did not present instalment that are due but not have not been paid (also partially), for more than 30 calendar days, on the basis of the accounting findings of the Originator;

- all permits, concessions, approvals and authorisations, consents, licences, exemptions, deposits, certifications, registrations or declarations with each competent authority necessary for the transfer of credits have been obtained, made or lent and are fully effective;

Transfer of the Receivables and Transaction Documents:

- the transfer of the Receivables to the Issuer is in accordance with the Securitisation Law. In particular, the Receivables included in the Portfolio possess specific objective common elements such as to constitute a portfolio of homogenous monetary rights identifiable as a pool within the meaning and for the purposes of Securitisation Law;

- the Originator has selected the Receivables in compliance with the Criteria;

- all the Receivables transferred by the Originator are accurately listed and described in the List of the Receivables (*Prospetto dei Crediti*);

- all the information supplied by the Originator to the Issuer and/or their respective affiliates, representative agents and consultants for the purpose or in connection with the Warranty and Indemnity Agreement and the Receivables Purchase Agreement and/or the other Transaction Documents or, otherwise concerning the Securitisation, including, without limitation, with respect the Mortgage Loan Agreements, the Receivables, the Mortgages, the Collateral Guarantees, as well as the application of the Criteria, is true and accurate and no material

information available to the Originator which may adversely impact on the Issuer has been omitted;

- there are no clauses or provisions in the Mortgage Loan Agreements and in the other agreements, deeds, agreements or documents connected to them (i) by virtue of which it is prohibited for the Originator, even partially, to transfer, assign or otherwise dispose of the relative Receivables, or (ii) which are in any case in conflict with certain provisions of the Warranty and Indemnity Agreement, the Receivables Purchase Agreement or the other Transaction Documents. The assignment of the Receivables to the Issuer under the terms of the Receivables Purchase Agreement does not in any way affect or invalidate the obligations of the Debtors and any other person otherwise obliged to the Originator by virtue of a contract, deed, agreement entered into in relation to the Mortgage Loan Agreement, concerning the payment of the amounts due in respect of the Receivables;

- the payment obligations assumed by the Originator under the Warranty and Indemnity Agreement and under all the other Transaction Documents of which it is or will become a party, constitute claims against it at least equal in rank to the claims of all its other creditors not subordinated or guaranteed under Italian law, with the exception of those whose claims are privileged by virtue of applicable laws and to the extent that such laws provide;

- the Originator has not given any mandate to any financial intermediary or other similar entity in relation to the subject matter of the Warranty and Indemnity Agreement and the Receivables Purchase Agreement, or the transactions contemplated therein;

Mortgage Loan Agreements and Guarantees

- the authorizations, approvals, approvals, licenses, registrations, annotations, presentations, authorizations and any other fulfillment that may be necessary to ensure the validity, legality or enforceability of the rights and obligations of the parties to each Mortgage Loan Agreement or Guarantee or any act, agreement or document relating thereto, have been obtained, carried out and put into effect, regularly and unconditionally, respectively, by the date of signature of each Mortgage Loan Agreement or Guarantee and other act, agreement or document relating thereto, or within the time otherwise provided for by law or deemed appropriate for such purpose. The obligations assumed by the parties to each Mortgage Loan Agreement or Guarantee constitute legitimate, valid and binding obligations towards each party, enforceable under the terms of the respective contracts and acts;

- each Mortgage Loan Agreement and each Guarantee and each related document is valid, existing and enforceable according to their provisions (except for the application of bankruptcy laws and other similar laws generally affecting the rights of creditors) and complies in all respects with the Italian laws and regulations currently in force; the Debtors, the Guarantors, the Mortgage providers (*datori di ipoteca*) or the grantees of the Collateral Guarantees and, in each case, the signatories of any agreement, deed or document on the subject, each had, at the relevant date of conclusion, the full powers and authorizations for the conclusion and signing of the relevant Mortgage Loan Agreement, Mortgage and Collateral Guarantee. Each Mortgage Loan and each Guarantee has been diligently renewed and maintained; and each other action necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Mortgage Loan Agreement, and/or Guarantee has been diligently and unconditionally undertaken;

- all the Mortgage Loan Agreements have been signed: (i) in compliance with the standard form agreements used from time to time by the Originator; (ii) with counterparties selected on the basis of credit procedures adopted in full compliance with the applicable supervisory regulations and instructions which has been regularly applied; (iii) in compliance with the

internal criteria adopted by the Originator for the disbursement of Mortgage Loans. After the date on which each Mortgage Loan Agreement was entered into, no Mortgage Loan Agreement was amended, even if only potentially, in such a way as to prejudice the rights and claims of the Originator, without prejudice to the effects of renegotiations carried out by the Originator up to the Cut-Off Date;

- each Mortgage Loan Agreement has been drawn up in the form of public deed (*atto pubblico*) drawn up by an Italian Notary Public or private deeds subsequently notarised (*scrittura privata autenticata*);

- each tax, duty or commission of any kind due up to the Signing Date and necessary to ensure the validity, legality, enforceability or priority of the rights and obligations of the parties to each Mortgage Loan Agreement and/or Guarantee has been diligently and promptly paid. In relation to each Mortgage Loan Agreement, each Debtor is contractually obliged to make all payments without deduction for or by way of taxes and/or duties, except in cases required by law. Where a fee and/or tax is to be deducted from amounts paid or payable under a Mortgage Loan Agreement (unless such obligation arises from a voluntary action by the Originator), the Debtor is contractually obliged to pay additional amounts to the Originator so that it receives a net amount equal to the total amount it would have received if payment had not been subject to the fee and/or tax.

- each Mortgage Loan Agreement and any other agreement, act, agreement or document related to it, has been entered into, complies in all respects with, and has been performed in compliance with all applicable laws, rules and regulations, such as, but not limited to, the rules and regulations on usury, confidentiality of personal data, compound interest and the provisions of the Consolidated Banking Act, relating, *inter alia*, to bank transparency, mortgage credit and money laundering.

- the management, collection and recovery procedures adopted by or on behalf of the Originator in relation to each Mortgage Loan Agreement, each Guarantee and each Receivable have been conducted in all respects in compliance with all applicable laws and regulations and with care, professionality and diligence, and in accordance with the prudential rules and procedures for the management and collection of credits adopted from time to time by or on behalf of the Originator, as well as in compliance with the guidelines of the Bank of Italy and all the usual precautions and practices followed in the performance of lending activities.

- all Mortgages Loans and Receivables are denominated in Euro and do not contain any provisions allowing the conversion of the relevant Mortgage into another currency.

- each Mortgage Loan Agreement and each contract, deed and agreement relating to it is governed by Italian law and is subject to the jurisdiction of the Italian courts.

- Debtors are not entitled to any refund of amounts paid or owed to the Originator under the Mortgage Loan Agreements and all duties, taxes and fees payable from time to time in respect of the advancement and preservation of the Receivables, the creation, renewal and preservation of each Guarantee and the performance of any other instrument or document or the performance of any deed or formality relating thereto, have been diligently and promptly paid by the Originator.

Mortgage Loans

- all Mortgage Loan Agreements have been entered into by banks that are part of or have, from time to time, been part of the Intesa Sanpaolo Group and the Debtors and none of the

Mortgage Loan Agreements or Receivables have been sold, transferred or assigned to third parties other than the Originator.

- none of the Debtors is a public entity, public administration nor a company belonging to the Intesa Sanpaolo Group.

- all the Debtors are natural persons, are resident in Italy and were resident in the European Economic Area (as defined in Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 (on the implementation of the monetary policy framework of the Eurosystem)) upon the disbursement of the relevant Mortgage Loan.

- all the Debtors belong to the categories of consumer households (*famiglie consumatrici*) (SAE 600) resident in Italy. All Mortgage Loans related to the Mortgage Loan Agreements have been granted to the Debtors upon submission of documentation proving their income sources.

- all the Guarantors (who are natural persons) are resident in the European Economic Area and were resident in the European Economic Area upon the disbursement of the relevant Mortgage Loan.

- each amount related to the Mortgage Loans has been entirely disbursed to the relevant Debtor and there is no obligation against the Originator to disburse, pay or make available further amounts under the same title.

- as of the Signing Date, none of the Receivables have been repaid in full.

- the Receivables have been granted (i) on the basis of a valuation of the Real Estate Asset(s) as a Guarantee to the same - assessment carried out and signed, prior to the approval of each Mortgage Loan Agreement, by a qualified expert who, if external to the Originator, to the best of his/her knowledge and belief, has not at any time had any direct or indirect interest in the Real Estate Asset(s) and the related Mortgage Loan Agreement and whose remuneration was not in any way connected with the approval of the relevant Mortgage Loan Agreement ; and (ii) on the basis of an assessment of the additional assets subject to Collateral Guarantees where these are to be taken into account for the purposes of determining their real estate value.

- as of the Signing Date none of the Mortgage Loans is classified as “non performing” or “unlikely to pay”, “past due and/or impaired exposure" (as defined in the Circular of the Bank of Italy No. 272 of 30 July 2008, as integrated by update No. 7 of 20 January 2015 and as amended from time to time – *Matrice dei Conti*).

- at each stage of the granting of each mortgage included in the Mortgage Loans and limited to Receivables arising from Mortgage Loan Agreements, the maximum limit on the amount of the loan in relation to the value of the relevant Real Estate Asset was respected for the purposes of qualifying the receivable as residential mortgage loan (*fondiario*) pursuant to article 38 of the Consolidated Banking Act and the decisions and resolutions referred to therein. In particular, with regard to Receviables qualified by the Originator as a "mortgage loan" (*mutuo fondiario*) within the meaning of the aforementioned article 38 granted in a percentage greater than 80% (eighty percent) of the lower of the purchase price and the estimated value of the relevant Real Estate Assets, the insurance policies taken out by the Originator or its predecessors in title (in which the latter took over) as additional guarantees in order to raise the limit of financing in the context of loans referred to in article 38 et seq. of the Consolidated Banking Act, meets all applicable legal and regulatory requirements.

- as of the Cut-Off Date, each Real Estate was fully built and completed and in compliance with the provisions on building, urban planning and legal regulations, or, based on the best knowledge of the Originator, if these regulations were not complied with and except in the case where irregularities and/or incompleteness are of minor importance, as of the date of disbursement of each Mortgage Loan under the relevant Mortgage Loan Agreement, an application for amnesty (*condono*) had been duly submitted to the competent authority and such application could not be rejected on the basis of unfulfilled payments of taxes, duties, penalties or sanctions, or on the grounds of non-compliance with the law.

- the information used to determine the Purchase Price (as set out in article 4 of the Receivables Purchase Agreement) and the Individual Purchase Price (as set out in the List of Receivables) was and is true, accurate and correct in all respects as to the Effective Date.

- as of the Cut-Off Date, the payment of the instalments of each Mortgage Loan was made on a monthly, quarterly or half-yearly basis, as provided for in the relevant Mortgage Loan Agreement.

- no Receivable provides for full repayment of the principal at the expiration date of the relevant Mortgage Loan Agreement.

- each Mortgage Loan Agreement, as may be supplemented and amended, and any other agreement, deed or document related thereto, is valid and effective and constitutes for the relevant parties a source of valid, legitimate and binding obligations, validly enforceable in court against such parties under their respective terms and conditions.

- the interest rates applicable on the Effective Date are true and correct pursuant to the relevant Mortgage Loan Agreement and, subject to the provisions of the Usury Law, the criteria on the basis of which they are calculated are not subject to reduction or variation for the entire duration of the Mortgage Loan Agreement except as provided for in the relevant agreement.

Compliance with the Applicable Privacy Law

- in the administration and management of the Mortgage Loans and the Mortgage Loan Agreements, the Originator has always fully complied with all applicable regulations on the protection of personal data and confidentiality, including, but not limited to, the provisions of the Applicable Privacy Law and subsequent amendments and additions, with all related decrees and implementing regulations.

- the Receivables have been assigned by the Originator in full compliance with the Applicable Privacy Law.

Mortgages

- each Mortgage has been duly granted, constituted, registered, renewed (if necessary) and preserved and is therefore valid and effective and can be enforced. Each Mortgage also meets all the requirements of all the laws and regulations in force and applicable to the such matter and is not affected by any defect. Each Mortgage was established on a voluntary basis and at the same time (substantially) as the granting of the relevant Mortgage.

- any consolidation period applicable to the Mortgages has expired and the related guarantee thus created is not likely to be affected by any law or regulation in force in Italy, either through a claw-back action or otherwise, including, by way of example, in accordance with Article 67 of the Bankruptcy Law.

- the Originator has not cancelled, released, reduced, even partially, any Mortgage, nor has it consented to its cancellation, release or reduction, except (i) to the extent that the cancellation, release or reduction in case it was made in accordance with the prudential credit practice in force in Italy, and (ii) when requested by the Debtor or the Mortgagor (*datore di ipoteca*) in circumstances where the cancellation, release or reduction is required by applicable laws or contractual clauses of the relevant Mortgage Loan Agreement. No Mortgage Loan Agreement contains clauses that give the Debtor(s) or the Mortgagor(s) (*datori di ipoteca*) the right to cancel, release or reduce the Mortgage in question unless and to the extent required by applicable laws and/or regulations.

- each Mortgage is an "economic" first-level mortgage (*ipoteca di primo grado economico*): there are no other mortgages granted on the Real Estate Assets in favour of third parties who have the same ranking or priority ranking to the Mortgages or, if there are such mortgages, the relevant secured creditors have been fully satisfied and the related debt has already been extinguished or is in the process of being cancelled having obtained the relevant consent to the cancellation of the previous mortgage or having the Debtor given the Originator an irrevocable mandate to extinguish the previous mortgage debt with the retraction of the mortgage loan. The Mortgages have not been set up to guarantee other mortgage loans other than those granted on the basis of the Mortgage Loan Agreements.

- there are no registrations, transcriptions or annotations that may be prejudicial to the legality, validity or execution of any of the Mortgages or that may affect the degree of priority in relation to the relevant Real Estate Asset.

- the Originator has not released or exonerated any Debtor or Mortgagor (*datore di ipoteca*) or Guarantor from their obligations, nor has it subordinated its rights to the rights of other creditors, nor has it waived any of its rights, except in relation to payments made for the corresponding amount to satisfy the relevant Receivables.

Insurance Policies

- Insurance Policies are governed by Italian law, are in full force and effect and, where provided for in the relevant Mortgage Loan Agreements, all premiums are paid in advance by the Originator. The Originator is the beneficiary of each Insurance Policy.

- under the Insurance Policies, the Originator has the right to require that the relevant insurance company make payments due under the said Insurance Policy directly to the Originator or their assignees and not to the relevant Debtor, and that the interests and rights of the Originator under the aforesaid Insurance Policy may be assigned to the Issuer and this shall not affect the validity of each Insurance Policy.

- each Insurance Policy covers the risk deriving from fires, explosions and lightning for an amount at least equal to 100% of the amount of reconstruction of the insured asset.

- the risks of damage or destruction of each Real Estate Asset for events occurring up to the Effective Date have been covered by Insurance Policies (covering at least the fire and explosion risks, for a value equal to the reconstruction value of the relevant asset) executed by the Debtors and/or the Mortgagors and (i) bound in favour of the Originator or (ii) subject to an irrevocable mandate to collect in favour of the Originator, or (iii) which provide for the Originator as beneficiary, and/or by a global policy (covering the same risks and for the same amount as above) stipulated by the Originator whose premium has been regularly and punctually paid by the same Originator.

Real Estate Assets

- any Real Estate Asset, at the time of the inscription of the relevant Mortgage, was owned by the relevant Mortgagor (*datore di ipoteca*).

- as far as the Originator is aware and informed, no claims or actions by third parties, including acquisitive prescription (*usucapione*), have been brought against any of the Real Estate Assets nor are there any prejudicial registrations or transcripts in relation to any of the Real Estate Assets, which may prejudice or have a negative effect on the relevant Mortgage, the relevant enforceability and the relevant degree or which may prejudice the rights of the Issuer as a mortgage creditor (*creditore ipotecario*). At the date of registration of each Mortgage, there are no preliminary agreements for the purchase of the relevant Real Estate Assets entered into and transcribed in the relevant Territory Agencies or Register of Real Estate (*Conservatorie dei Registri Immobiliari*) between the relevant Mortgagor and third parties.

- at the time of disbursement of the relevant Mortgage Loans and perfection of the relevant Mortgage, the Real Estate Assets were in compliance with all laws and regulations on hygiene, safety and environmental protection. The Originator is not aware of the presence of harmful or polluting substances pursuant to Italian legislation on safety and environmental protection in relation to the Real Estate Assets, nor of the non compliance of certain Real Estate Asset, as of the Signing Date, with the laws and regulations in force regarding hygiene and safety and environmental protection.

- the Originator is not aware of any defects in or damage to each Real Estate Asset.

- all Real Estate Assets comply with the legal requirements for habitability or practicability, as the case may be, is free from defects that could cause it to become non-marketable and is not otherwise subject to defects pursuant to Law No. 47 of 28 February 1985 ("*Norme in materia di controllo dell'attività urbanistico-edilizia, sanzioni, recupero e sanatoria delle opere edilizie*") and Law No. 298 of 21 June 1985, as subsequently amended or supplemented and/or extended, or any other relevant regulation.

- at the time of the disbursement of the Mortgage Loans pursuant to the Mortgage Loan Agreements and the registration of the relevant Mortgage, the relevant Real Estate Asset was in compliance with all the legal provisions, including the town planning and building legislation (*legislazione edilizia, urbanistica e vincolistica*), even if as a result of building amnesty (*condono edilizio*).

- at the time of the disbursement of the Mortgage Loans pursuant to the Mortgage Loan Agreements and the registration of the relevant Mortgage, granted either on proprietary rights or on surface rights, each Real Estate Asset was duly registered with the competent Territorial Agency, Register of Real Estate and/or Urban Land and Land Registry Office (*Ufficio del Catasto Urbano e dei Terreni*) or in any case a valid application had been submitted to make such registration, in compliance with all town planning, building and boundary regulations and with all possible laws applicable to the registration of real estate assets with the competent Agency for the Territory, Conservatory of Real Estate Registers and/or Urban Land and Land Registry Office (*Ufficio del Catasto Urbano e dei Terreni*).

- to the Originator's best knowledge, no Real Estate Asset is subject to Legal Proceedings, nor the Originator has been notified of the pending legal proceedings by third party creditors pursuant to article 498 of the Italian code of civil procedure. Furthermore, there are no pending proceedings or petitions to obtain the release, seizure or confiscation, even only in part, of the Real Estate Assets.

- to the Originator's best knowledge, each Real Estate Asset complies with all applicable Italian laws regarding its destination use (*destinazione d'uso*) as a residential property.

- each Real Estate Asset is located in the territory of the Republic of Italy.

- at the time of disbursement of the funds in accordance with, or following, each Mortgage Loan and the perfection of the relevant Mortgage, the relevant Real Estate Asset was in compliance with the regulations in force at that time regarding the landscape, the environment and the protection of the assets of historical interest.

- each Real Estate Asset has a certificate of habitability and/or usability (*certificato di abitabilità e/o agibilità*).

Other representations and warranties

- the Receivables have been originated by the Originator in the ordinary course of its business (or, as the case may be, of the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) pursuant to underwriting standards that are no less stringent than those applied by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) to similar non-securitised exposures at the time of their origination. The Originator has more than 5 (five) years expertise in originating exposures of a similar nature to the Receivables.

- the Originator has (or, as the case may be, the other banks in the Intesa Sanpaolo Group merged by incorporation into the Originator have) assessed the Debtor's creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC or article 18(1) to (4), (5)(a) and (6) of Directive 2014/17/EU and, in order to determine the creditworthiness of the relevant Debtor, the Originator has not (or, as the case may be, the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator have not) based its assessment primarily on the possible sale of the relevant Real Estate Asset following the enforcement of the relevant Mortgage.

- the Portfolio does not include (i) any transferable securities within the meaning of Article 4(1)(44) of Directive 2014/65/EU, (ii) any securitisation positions, (iii) any derivatives, (iv) any loans marketed was marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the Originator (or, as the case may be, by other banks in the Intesa Sanpaolo Group merged by incorporation into the Originator).

- the Portfolio does not include default exposures within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor who, to the Originator's knowledge (or, as the case may be, other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator):

  (i) has been declared insolvent or has seen a court grant its creditors a final non-appealable right of enforcement or damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Signing Date, except if: (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the Signing Date; and (ii) the information provided by the Originator in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly

sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(ii) was at the time of origination, where applicable, on a public credit registry of persons with negative credit references or, in the absence of such public credit register, in another credit register available to the Originator (or, as the case may be, to other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator); or

(iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments is significantly higher than the ones of comparable exposures held by the Originator and not transferred under the Securitisation.

- receivables are homogeneous in terms of asset type, taking into account the specific characteristics to the cash flows of the asset type, including their contractual, credit risk and prepayment characteristics, given that:

  (i) the Receivables have been originated from the Originator (or, as the case may be, from other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator), as lender, in accordance with loan disbursement policies which apply similar approach to the assessment of credit risk associated with the Receivables;

  (ii) the Receivables have been services by the Originator (or, as the case may be, by the other banks belonging to the Intesa Sanpaolo Group merged by incorporation into the Originator) according to similar servicing procedures;

  (iii) the Receivables arise from Mortgage Loans secured by one or more Mortgages over one or more Real Estate Assets and therefore fall within the asset category named "*residential loans*" as provided for by Article 2(a) of the Regulatory Technical Standards on the homogeneity of the underlying exposures; and

  (iv) within the category "*residential loans*" pursuant to Article 2(a) of the Regulatory Technical Standards on the homogeneity of underlying exposures, the Receivables satisfy the homogeneity factor provided for in Article 3(c) of the Regulatory Technical Standards on the homogeneity of underlying exposures, i.e. the Receivables are secured by Mortgages on Real Estate Assets located in the Republic of Italy.

- the Receivables arise from Mortgage Loans in relation to which, on the Signing Date, at least one payment has been made in any way by the relevant Debtor.

- under the terms of the Mortgage Loan Agreements, the calculation methods of interest on Mortgage Loans are based on general market interest rates or general sector interest rates that reflect the cost of financing and do not refer to complex formulas or derivatives.

Indemnity obligations of the Originator

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, 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*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete

or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Mortgage Loan Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated banking Act; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Mortgage Loan Agreements.

The Warranty and Indemnity Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

4. THE CORPORATE AND ADMINISTRATIVE SERVICES AGREEMENT

In the context of the First Previous Securitisation, on 31 October 2017, the Issuer, the Corporate Services Provider and the Administrative Services Provider entered into the Corporate and Administrative Services Agreement pursuant to which each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide certain corporate administration and management services to the Issuer in relation to the First Previous Securitisation.

The parties of the Corporate and Administrative Services Agreement have also agreed, *inter alia*, that any remuneration, cost and expense incurred by the Corporate Services Provider and/or the Administrative Services Provider which are exclusively related to a specific securitisation transaction shall be entirely paid out of the available funds of the Issuer in accordance with the priority of payments applicable to the relevant securitisation transaction while any other sum which is not exclusively related to a specific securitisation shall be divided by the number of securitisation transactions then outstanding and each payment so calculated shall be made by the Issuer utilising the issuer available fund of each such securitisation transactions in accordance with the relevant priority of payments.

The provisions of the Corporate Services Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Corporate and Administrative Services Agreement entered into on 29 October 2018.

The provisions of the Corporate Services Agreement have been further extended to the Securitisation by the Agreement for the Extension of the Corporate and Administrative Services Agreement entered into on 25 September 2019.

The Corporate and Administrative Services Agreement, the First Agreement for the Extension of the Corporate and Administrative Services Agreement and the Agreement for the Extension of the Corporate and Administrative Services Agreement and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Italian law.

5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Account Bank, the Calculation Agent, the Paying Agent, the Representative of the Noteholders, the Corporate Services Provider, the

Administrative Services Provider, the Listing Agent and the Servicer entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

(a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Cash Reserve Account, the Expenses Account the Corporate Account, the Collection Account, the Investment Account and the Payment Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the above mentioned Accounts;

(b) the Calculation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report, the Investors Report and the Inside Information and Significative Event Report and to provide the Issuer with certain calculation services in relation to the Notes;

(c) the Listing Agent has agreed to assist the Issuer to comply with its obligations in connection with the listing of the Senior Notes, to co-operate for the publication of any notice which is to be given to the Senior Noteholders, to forward the Issuer information and communications by any Noteholder or related to the maintenance of records and deliver the Investors Report to the Luxembourg Stock Exchange (so long as, the Senior Notes are listed on the official list of the Luxembourg Stock Exchange); and

(d) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Euribor on each Interest Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

The Accounts shall be opened in the name of the Issuer and shall be operated by the Account Bank and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of any Agent by giving not less than 90 calendar days written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred, provided that no revocation of the appointment of any Agent shall take effect until a successor has been duly appointed. The appointment of an Agent may terminate in accordance with article 1456 of the Italian civil code if the relevant Agent fails to comply with certain obligations under the Cash Allocation, Management and Payments Agreement.

The appointment of an Agent may terminate in accordance with article 1373 of the Italian civil code or 78 of the Italian Bankruptcy Law, as applicable, if an Insolvency Event occurs in relation to any Agent. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 90 calendar days (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders, it being understood that in the event the prior notice is given with at least 90 calendar days or such other shorter period agreed with the Representative of the Noteholders which is an adequate notice ("*congruo*

preavviso") for the purpose of article 1727 of the Italian civil code, the relevant Agent may resign without giving any reason and without being responsible for Liabilities whatsoever which may be caused as a result of such resignation. Such resignation will be subject to and conditional upon: (i) if such resignation would otherwise take effect less than ten days before or after any Payment Date (or any other date on which the Issuer is allowed or obliged for whatever reason to effect payments in respect of the Notes), such resignation not taking effect until the tenth day following such date; (ii) a substitute Calculation Agent, Paying Agent or Account Bank, as the case may be, being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement (in particular, the substitute Paying Agent or Account Bank must be an Eligible Institution); (iii) no Agent being released from its obligations under the Cash Allocation, Management and Payments Agreement until a substitute Agent has entered into such new agreement and it has become a party to the Intercreditor Agreement and the other relevant Transaction Documents; and (iv) notice of such resignation having been given to the Rating Agencies by the Issuer or the Representative of the Noteholders or the resigning Agent.

The Cash Allocation, Management and Payments Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

6. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Portfolio.

With reference to risk retention requirements set out under article 6 of the Securitisation Regulation, under the Intercreditor Agreement, the Originator, for so long as the Notes are outstanding, has undertaken in favour of the Issuer and the Representative of the Noteholders that it will:

(a) retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards; as at the Issue Date, such interest will be comprised of an interest in the first loss tranche (being the Junior Notes);

(b) not change the manner in which the net economic interest is held, unless expressly permitted

by article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards;

(c) procure that any change to the manner in which such retained interest is held in accordance with paragraph (b) above will be notified to the Calculation Agent to be disclosed in the Investors Report; and

(d) comply with the disclosure obligations imposed on originators under article 7(1)(e)(iii) of the Securitisation Regulation and the applicable Regulatory Technical Standards, subject always to any requirement of law,

provided that the Originator is only required to do so to the extent that the retention and disclosure requirements under the Securitisation Regulation and the applicable Regulatory Technical Standards are applicable to the Securitisation. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation and the applicable Regulatory Technical Standards.

With reference to transparency requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the Originator and the Issuer have designated among themselves the Originator as the Reporting Entity and the Parties had acknowledged that the Originator (in its capacity as Reporting Entity) shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

In such capacity as Reporting Entity, the Originator will fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information:

(a) until the Data Repository is appointed by the Reporting Entity, on the Temporary Website; and

(b) after the Data Repository is appointed by the Reporting Entity, on the Data Repository.

Under the Intercreditor Agreement, the Reporting Entity has represented to the other Parties that, as long as the Data Repository has not been appointed by the Reporting Entity, the Temporary Website:

(a) includes a well-functioning data quality control system;

(b) is subject to appropriate governance standards and to maintenance and operation of an adequate organizational structure that ensures the continuity and orderly functioning of the Temporary Website;

(c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk;

(d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and

(e) makes it possible to keep record of the information for at least five years after the Final Maturity Date.

Under the Intercreditor Agreement, the Reporting Entity has undertaken, as soon as a data repository pursuant to article 10 of the Securitisation Regulation will have been authorized by ESMA and enrolled within the relevant register, to appoint a data repository by entering into a separate agreement (the entity so appointed, the "**Data Repository**"). The Reporting Entity has

agreed to pay all fees, costs and expenses in connection with the transparency requirements under the Securitisation Regulation.

Under the Intercreditor Agreement, after the Data Repository is appointed:

(a) the Reporting Entity has undertaken to notify in writing the other Parties of the corporate name and relevant details of the Data Repository so appointed;

(b) the Parties, in order to comply with the obligation under article 7(2), last paragraph, of the Securitisation Regulation, have undertaken to amend the Intercreditor Agreement in order to include herein the details relating to the Data Repository; and

(c) the Reporting Entity has undertaken that it will procure that all documents and information published on the Temporary Website prior to such date are promptly relocated to the Data Repository, if so required in accordance with the Securitisation Regulation.

As to pre-pricing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing:

(A) through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under point (a) of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets (if available)) upon request and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(B) on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, (i) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA

Guidelines on STS Criteria.

As to post-closing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the relevant Parties have acknowledged and agreed as follows:

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1) and article 22(4) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significative Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significative Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

(d) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession),

in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards.

In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu), a liability cash flow model which precisely represents the contractual

relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

Under the Intercreditor Agreement, the Originator, in its capacity as Reporting Entity, has undertaken to the Issuer and to the Representative of the Noteholders:

(a) to ensure that Noteholders and prospective investors (if any) have readily available access to (i) all information necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under article 5 of the Securitisation Regulation, which does not form part of this Prospectus as at the Issue Date but may be of assistance to prospective investors (if any) before investing; and (ii) any other information which is required to be disclosed to Noteholders and to prospective investors (if any) pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards;

(b) to ensure that the competent supervisory authorities pursuant to article 29 of the Securitisation Regulation have readily available access to any information which is required to be disclosed pursuant to the Securitisation Regulation.

Under the Intercreditor Agreement, each of Securitisation Services (in any capacity) and the Issuer has undertaken to notify the Originator without undue delay any information set out under point (f) of the first subparagraph of article 7(1) of the Securitisation Regulation or the occurrence of any event set out under point (g) of the first subparagraph of article 7(1) of the Securitisation Regulation (as the case may be) in order to allow the Originator to prepare the Inside Information and Significative Event Report.

In addition, in order to ensure that the disclosure requirements set out under article 7 and 22 of the Securitisation Regulation are fulfilled by ISP (either in its capacity as Originator or Reporting Entity), under the Intercreditor Agreement each party to such agreement (other than ISP) has undertaken to provide the Reporting Entity with any further information which from time to time is required under the Securitisation Regulation that is not covered under the Intercreditor Agreement.

The Intercreditor Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

7. THE SUBORDINATED LOAN AGREEMENT

Under the terms of the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the Subordinated Loan for an amount of Euro 133,000,000 for the purpose of establishing, on the Issue Date, the Cash Reserve in accordance with the Transaction Documents and the Priority of Payments.

The Subordinated Loan will be repaid by the Issuer in accordance with the Subordinated Loan Agreement and the applicable Priority of Payments.

The Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

8. THE MANDATE AGREEMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement under which, subject to a Trigger Notice being served upon the Issuer or

upon failure by the Issuer to exercise its rights under the Transaction Documents and subject to the fulfilment of certain conditions, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain of the Transaction Documents to which the Issuer is a party.

The Mandate Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

9. THE QUOTAHOLDERS' AGREEMENT

In the context of the First Previous Securitisation, on 11 October 2017, the Issuer and the Quotaholders entered into the Quotaholders' Agreement pursuant to which each of the Quotaholders has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders.

The provisions of the Quotaholders' Agreement have been extended to the Second Previous Securitisation by the First Agreement for the Extension of the Quotaholders' Agreement entered into on 12 December 2018.

The provisions of the Quotaholders' Agreement have been further extended to the Securitisation by the Second Agreement for the Extension of the Quotaholders' Agreement entered into on or about the Issue Date.

The Quotaholders' Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts. The Issuer undertakes to pay to or deposit, or cause to be paid to or deposited the following amounts in and out of such accounts:

(1) *Collection Account*

(a) *in*:

(i) the Collections received in relation to the Receivables comprised in the Portfolio in accordance with the provisions of the Servicing Agreement; and

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account;

(b) *out*: on each Business Day any amounts standing to the credit of the Collection Account shall be transferred to the Investment Account.

(2) *Investment Account*

(a) *in*:

(i) all amounts transferred on each Business Day from the Collection Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) any amount paid by ISP in accordance with the provisions of the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or the Servicing Agreement (if not to be credited on the Collection Account in accordance with the relevant Transaction Document);

(iii) the proceeds deriving from the sale, if any, of individual Receivables comprised in the Portfolio in accordance with the provisions of the Receivables Purchase Agreement;

(iv) the proceeds deriving from the sale of the Portfolio in accordance with the Transaction Documents;

(v) any amounts received by any third party under any Transaction Document and not allocated to any other Account in accordance with the provisions of clause 3.4 of the Cash Allocation, Management and Payments Agreement;

(vi) on the Business Day following the Issue Date, the difference between: (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio transferred from the Payment Account;

(vii) on the Business Day following each Payment Date, any amount transferred from the Payment Account, if any; and

(viii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Investment Account;

(b) *out*:

(i) two Business Days prior to each Payment Date, all amounts standing to the credit of the Investment Account as at the immediately preceding Collection Date shall be transferred to the Payment Account;

(ii) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of the Initial Principal Portfolio shall be transferred to the Payment Account;

(iii) on the Issue Date, an amount equal to Euro 65,000.00 shall be transferred to the Corporate Account; and

(iv) on the Issue Date, an amount equal to Euro 200,000.00 shall be transferred to the Expenses Account.

(3) *Payment Account*

(a) *in*:

(i) two Business Days prior to each Payment Date, the amounts transferred from the Investment Account in accordance with the provisions of the Cash Allocation, Management and Payments Agreement;

(ii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payment Account;

(iii) pursuant to clause 3.4.4(b) of the Cash Allocation, Management and Payments Agreement, the amounts transferred from the Cash Reserve Account;

(iv) three Business Days before the Issue Date, any amount due to ISP as purchase price of the Portfolio in excess of an amount equal to the Initial Principal Portfolio transferred from the Investment Account;

(v) on the Issue Date, the proceeds deriving from the issue of the Notes; and

(vi) two Business Days prior to each Payment Date, all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account and the Corporate Account;

(b) *out*:

(i) on the Issue Date, the Purchase Price shall be paid to the Originator;

(ii) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the relevant Payments Report;

(iii) on the Business Day following each Payment Date, any residual amount, if any, shall be transferred to the Investment Account; and

(iv) on the Business Day following the Issue Date, the difference between (a) the total proceeds of the issue of the Notes and (b) the Initial Principal Portfolio shall be transferred to the Investment Account.

(4) *Cash Reserve Account*

(a) *in*:

(i) on the Issue Date, an amount equal to the Initial Cash Reserve;

(ii) if the Senior Notes are outstanding, on each Payment Date prior to the delivery of a Trigger Notice or the redemption in full of the Senior Notes, the Cash Reserve Required Amount in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account;

(b) *out*:

(i) two Business Days before each Payment Date, including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account; and

(ii) on the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer, any amounts standing to the credit of the Cash Reserve Account shall be transferred to the Payment Account.

(5) *Expenses Account*

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 200,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in March thereafter, the relevant Issuer Disbursement Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause

4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account shall be transferred to the Payment Account.

(6) *Corporate Account*

(a) *in*:

(i) on the Issue Date, an amount equal to Euro 65,000.00 shall be credited from the Investment Account;

(ii) on the First Payment Date and on each Payment Date falling in March thereafter, the relevant Issuer Retention Amount shall be credited in accordance with the applicable Priority of Payments; and

(iii) all amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account;

(b) *out*:

(i) during each Interest Period, any amount to be reimbursed to the Administrative Services Provider or paid to third party creditors of the Issuer who are not parties to the Intercreditor Agreement in accordance with clause 4.2.1 (*Duties in relation to payments*) of the Cash Allocation, Management and Payments Agreement; and

(ii) two Business Days before each Payment Date (including the Final Maturity Date and the Payment Date in which the Senior Notes will be redeemed in full), any amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Corporate Account shall be transferred to the Payment Account.

In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and in the context of the issuance of the notes of the Previous Securitisations has opened certain bank accounts. The sums standing from time to time to the credit of such bank accounts will not be available to the Other Issuer Creditors because, pursuant to the Securitisation Law, the assets relating to each securitisation transaction will constitute assets segregated for all purposes from the assets of the Issuer and from the assets relating to other securitisation transactions. The assets relating to a particular securitisation transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to the general creditors of the Issuer.

The Issuer has also opened with Intesa Sanpaolo S.p.A. a euro-denominated account (the "Quota Capital Account") into which the sum representing 100 per cent. of the Issuer's equity capital (equal to Euro 10,000) has been deposited and will remain deposited therein for so long as all notes issued (including

those issued in the context of the Previous Securitisations) or to be issued by the Issuer (including the Notes) have been paid in full.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published in the Official Gazette number 201 of 30 August 2018, as amended and supplemented from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Conditions.*

In these Conditions, references to (i) any agreement or other document shall include such agreement or other document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072 (the "**Class A Notes**" or the "**Senior Notes**") and the Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") are issued by Brera Sec S.r.l. (the "**Issuer**") on 27 November 2019 (the "**Issue Date**") pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time (the "**Securitisation Law**"), to finance the purchase by the Issuer of a portfolio (the "**Portfolio**") of monetary claims and connected rights arising under residential mortgage loan agreements (the "**Receivables**") originated by ISP, pursuant to a receivables purchase agreement entered into on 25 September 2019 (the "**Receivables Purchase Agreement**").

The principal source of payment of interest and Additional Return (if any) and repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents from the Effective Date. By operation of Italian Law and the Transaction Documents, the Issuer's Rights, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation. Amounts derived from the Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to it or to any other creditor of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds will be applied by the Issuer in accordance with the applicable priority of payments of the Issuer Available Funds set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

Any reference below to a "**Class**" of Notes or a "**Class**" of Noteholders shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective ultimate owners thereof. Any reference below to the "**Class A Noteholders**" or "**Senior Noteholders**" are to the beneficial owners of the Senior Notes and references to the "**Junior Noteholders**" are to the beneficial owners of the Junior Notes and references to the "**Noteholders**" are to the beneficial owners of the Senior Notes and Junior Notes.

1. INTRODUCTION

1.1 *Noteholders deemed to have notice of Transaction Documents*

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents (described below).

1.2 *Provisions of Conditions subject to Transaction Documents*

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

1.3 *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents are available for inspection by the Noteholders:

(a) during normal business hours at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi, 8, 20121 Milan (MI), Italy; and

(b) at the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) or through the Data Repository (if appointed).

1.4 *Description of Transaction Documents*

1.4.1 Pursuant to the Subscription Agreement, the Underwriter has agreed to subscribe for the Senior Notes and the Junior Notes and appointed the Representative of the Noteholders to perform the activities described in the Subscription Agreement, these Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.2 Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio assigned and certain other matters and has agreed to indemnify the Issuer in respect of certain costs, liabilities and expenses of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

1.4.3 Pursuant to the Servicing Agreement, the Servicer (i) shall act as servicer of the Securitisation and have the responsibility set out in article 2, paragraph 6-*bis*, of the Securitisation Law, and (ii) has agreed to administer and service the Receivables and to carry out the collection activity relating to the Receivables (including the management of the Receivables which are classified as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*)) on behalf of the Issuer in compliance with the Securitisation Law.

1.4.4 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts. The Cash Allocation, Management and Payments Agreement also contains certain provisions relating to, *inter alia*, the calculation (by the Calculation Agent) and the payment (by the Paying Agent) of any amounts in respect of the Notes of each Class.

1.4.5 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Portfolio and the Transaction Documents.

1.4.6 Pursuant to the Subordinated Loan Agreement, the Subordinated Loan Provider has agreed to make available to the Issuer the Subordinated Loan for an amount equal to the Initial Cash Reserve for the purpose of establishing, on the Issue Date, the Cash Reserve.

1.4.7 Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

1.4.8 Pursuant to the Corporate and Administrative Services Agreement, as amended and supplemented under the Second Agreement for the Extention of the Corporate and Administrative Services Agreement, each of the Corporate Services Provider and the Administrative Services Provider has agreed to provide, respectively, certain corporate and administrative services to the Issuer in relation to the Securitisation.

1.4.9 Pursuant to the Quotaholders' Agreement, as amended and supplemented under the Second Agreement for the Extention of the Quotaholders' Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.5 *Acknowledgement*

Each Senior Noteholder, by reason of holding the Senior Notes acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Senior Noteholders as a result of the performance by Securitisation Services S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1. *Definitions*

In these Conditions, the following expressions shall, except where the context otherwise requires and save where otherwise defined, have the following meanings:

"**Accounts**" means collectively the Collection Account, the Investment Account, the Payment Account, the Cash Reserve Account, the Expenses Account and the Corporate Account, and "**Account**" means any of them.

"**Account Bank**" means ISP or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Return**" means: (i) on each Payment Date on which the Pre Enforcement Priority of Payments applies, an amount payable on the Junior Notes equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Eleventh* (included) of the Pre Enforcement Priority of Payments; or (ii) on each Payment Date on which the Post Enforcement Priority of Payments applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from *First* to *Tenth* (included) of the Post Enforcement Priority of Payments; *plus*, for the avoidance of doubt, (iii) on the Payment Date on which the Notes are redeemed in full or cancelled or the Final Maturity Date, any surplus remaining on the balance of the Accounts (other than Quota Capital Account), as well as any other residual amount collected by the Issuer in respect of the Transaction.

"**Administrative Services Provider**" means ISP or any other person for the time being acting as Administrative Services Provider pursuant to the Corporate and Administrative Services Agreement.

"**Arrangers**" means ISP and Banca IMI.

"**Arrears Ratio**" means, at the end of each monthly reference period with reference to each Receivable, the ratio between (a) all amounts due and unpaid as Principal Instalment and/or Interest Instalment (excluding any default interest) in relation to the relevant Receivable, and (b) the amount of the instalment of the relevant Receivable which was due immediately prior to the end of that month.

"**Banca IMI**" means Banca IMI S.p.A., a bank incorporated in Italy as a *società per azioni*, having its registered office at Largo Mattioli, 3, 20121 Italy, with paid-in share capital of Euro 962,464,000, registered with the Companies' Register of Milano Monza Brianza Lodi under No. 04377700150 and with the register of banks held by the Bank of Italy under No. 5570, participant to the banking group "Intesa Sanpaolo", subject to the activity of management and coordination ("*attività di direzione e coordinamento*") of ISP, authorised to carry out business in Italy pursuant to the Consolidated Banking Act.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as the same may be amended, modified or supplemented from time to time.

"**Benchmark Regulation**" means the Regulation (EU) No. 2016/1011, as the same may be amended, modified or supplemented from time to time.

"**Business Day**" means a day on which banks are generally open for business in Milan and Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

"**Calculation Agent**" means Securitisation Services or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the 5th calendar day of March, June, September and December of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Calculation Date shall fall on 5 March 2020.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Account Bank, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, the Representative of the Noteholders, the Servicer and the Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT15 E030 6909 4001 0000 0068 083), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Released Amount**" means, with reference to each Payment Date, an amount equal to the positive difference between (i) the balance of the Cash Reserve Account three Business Days before such Payment Date, and (ii) the Cash Reserve Required Amount with reference on such Payment Date.

"**Cash Reserve Required Amount**" means, with reference to each Payment Date, an amount equal to 2% of the Principal Outstanding Amount of the Senior Notes on the Calculation Date immediately preceding such Payment Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the earlier of (a) the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer

Available Funds are sufficient to repay in full on such Payment Date the Senior Notes, (b) the Final Maturity Date, (c) the date on which the Representative of the Noteholders has delivered a Trigger Notice to the Issuer.

"**Class A Noteholders**" or "**Senior Noteholders**" means the persons who are, from time to time, the holders of the Class A Notes.

"**Class A Notes**" or "**Senior Notes**" means the Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072.

"**Class B Noteholders**" or "**Junior Noteholders**" means the persons who are, from time to time, the holders of the Class B Notes.

"**Class B Notes**" or "**Junior Notes**" means the Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072.

"**Clean Up Option Date**" means the Payment Date on which the Principal Outstanding Amount of the Senior Notes is equal or lower than 10% of the Principal Outstanding Amount of the Notes upon issue.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collateral Guarantee**" means any guarantee granted to the Originator securing the repayment of the Receivables, with the exception of the Mortgages and of the so-called "*fideiussioni omnibus*" or similar (and therefore not specifically related to the transferred Receivable).

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT42 I030 6909 4001 0000 0068 079).

"**Collections**" means all amounts collected and recovered by the Issuer through the Servicer in respect of the Receivables.

"**Collection Date**" means the last calendar day of January, April, July and October of each year.

"**Collection Period**" means each quarterly period commencing on (and excluding) a Collection Date and ending on (and including) the next succeeding Collection Date and, in the case of the first Collection Period, commencing on (and including) the Effective Date and ending on (and including) the Collection Date falling on 31 January 2020.

"**Signing Date**" means 25 September 2019.

"**Conditions**" means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

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

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT94 J030 6909 4001 0000 0068 088), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Corporate and Administrative Services Agreement**" means the corporate and administrative services agreement entered into on 31 October 2017 between the Issuer, ISP and Securitisation Services in the context of the First Previous Securitisation, as amended and supplemented by the First Agreement for the Extension of the Corporate and Administrative Services Agreement and the Second Agreement for the Extension of the Corporate and Administrative Services Agreement and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Corporate Services Provider**" means Securitisation Services S.p.A. or any other person for the time being acting as pursuant to the Corporate and Administrative Services Agreement and its permitted successors and assignees from time to time.

"**Critical Obligations Rating**" or "**COR**" means the long-term rating assigned by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.

"**Cut-Off Date**" means 31 May 2019.

"**Data Repository**" means the securitisation repository authorized by ESMA and enrolled in the register held by it pursuant to article 10 of the Securitisation Regulation appointed in respect of the Securitisation.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes and for the purpose of any notice to be sent under the Transaction Documents, DBRS Ratings Limited, and (ii) in any other case, any entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	*Moody's*	*S&P*	*Fitch*
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a Fitch long term public senior debt rating, a Moody's long term public senior debt rating and an S&P long term public senior debt rating (each, a Public Long Term Rating) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of the lower of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below); and

(c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtor**" means any person 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 or who has assumed the Debtor's obligation under an *accollo*, or otherwise.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree number 239.

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

"**Defaulted Receivable**" means a Receivable deriving from a Mortgage Loan (a) which at any time has been classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and/or (b) has, or at any time had, an Arrear Ratio (i) equal to or greater than 10, in case of Mortgage Loans payable on a monthly basis, (ii) equal to or greater than 4, in case of Mortgage Loans payable on a quarterly basis, and (iii) equal to or greater than 2, in case of Mortgage Loans payable on a semi-annual basis.

"**Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Collection Date, the ratio, expressed as a percentage, obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables (at the time of such classification) during the period between the Effective Date and the immediately preceding Collection Date; by (B) the Initial Principal Portfolio.

"**EBA**" means the European Banking Authority.

"**EBA Guidelines on STS Criteria**" means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named "*Guidelines on the STS criteria for non-ABCP securitisation*".

"**ECB Guidelines**" means the Guideline (EU) 2015/510 of the European Central Bank (ECB) of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) as subsequently amended and supplemented.

"**Effective Date**" means 00:01 of 23 September 2019.

"**Eligible Institution**" means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) with respect to DBRS:

(i) at least "BBB", in respect of the greater of (a) the rating one notch below the institution's long-term COR and (b) the institution's long-term senior unsecured debt rating; or

(ii) if the long-term COR is not currently maintained for the institution, at least "BBB", in respect of the institution's long-term senior unsecured debt rating, or

(iii) if there is no such public rating, at least "BBB" in respect of the greater of (a) the rating one notch below the institution's private long-term COR supplied by DBRS and (b) the private long-term senior unsecured debt rating of the institution supplied by DBRS; or

(iv) if neither the private long-term COR nor the private long-term senior unsecured debt rating of the institution is available, the DBRS Minimum Rating of a least BBB;

(b) with respect to Moody's:

(i) "Baa3" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long-term deposit rating by Moody's, "P-3" in respect of short term debt.

"**EMU Zone**" means the region comprised of the Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) number 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Euribor**" means the month Euro-Zone Inter-bank offered rate administered by EMMI – European Money Markets Institute (or any other entity which takes over the administration of that rate) which appears on the display page designated Euribor 01 on Thomson Reuters, or such other page which may replace it in the future or any replacement Thomson Reuters page which displays that rate, (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month Euro-Zone Inter-bank offered rate administered by the European Money Markets Institute which appears on the display page

designated Euribor 01 on Thomson Reuters will be applied) on the Interest Determination Date (the "**Screen Rate**" or, in the case of the First Interest Period, the "**Additional Screen Rate**" and, the relevant page which displays the Screen Rate or the Additional Screen Rate, the "**Relevant Screen Page**").

For a description of the Euribor or other information about such benchmark, please refer to the website of EMMI (or the other entity that will be appointed as a substitute for the purposes of the Euribor record).

If the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time, then the rate for any relevant Interest Period shall be the rate in effect for the immediately preceding Interest Period.

"**Euro**", "**euro**" and "**€**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) number 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

"**Expenses Account**" means the Euro denominated account established in the name of the Issuer with ISP (IBAN: IT20 I030 6909 4001 0000 0068 087), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Extraordinary Resolution**" has the meaning ascribed to it in the Rules of Organisation of the Noteholders.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**Final Maturity Date**" means the Payment Date falling in December 2072.

"**First Agreement for the Extension of the Corporate and Administrative Services Agreement**" means the first agreement for the extension of the Corporate and Administrative Services Agreement, entered into on 29 October 2018 between the Issuer, the Administrative Services Provider and the Corporate Services Provider.

"**First Agreement for the Extension of the Quotaholders' Agreement**" means the first agreement for the extension of the Quotaholders' Agreement, entered into on 12 December 2018 between the Issuer and the Quotaholders.

"**First Interest Period**" means the period starting from (and including) the Issue Date and ending on (but excluding) the First Payment Date.

"**First Payment Date**" means the Payment Date falling on 16th March 2020.

"**First Previous Securitisation**" means the securitisation transaction carried out in December 2017 by the Issuer through the issuance of the First Previous Securitisation Notes pursuant to articles 1 and 5 of the Securitisation Law.

"**First Previous Securitisation Notes**" means the Euro 6,025,000,000 Class A Residential Mortgage Backed Floating Rate Notes due November 2071 and the Euro 1,067,309,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due November 2071.

"**First Previous Securitisation Portfolio**" means the portfolios of receivables purchased by the Issuer in the context of the First Previous Securitisation.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Initial Cash Reserve**" means Euro 133,000,000.

"**Initial Principal Portfolio**" means the Outstanding Principal of the Portfolio as at the Effective Date.

"**Inside Information and Significative Event Report**" means the report named as such to be prepared and delivered by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of 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 the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

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

"**Instalment**" means, in respect of each Mortgage Loan Agreement, each monetary amount due periodically by the relevant Debtor pursuant to the relevant Mortgage Loan Agreement, including a Principal Instalment and an Interest Instalment.

"**Insurance Policy**" means any insurance contract entered into in relation to each Real Estate Asset and the relevant Mortgage Loan.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Interest Determination Date**" means (a) with respect to the First Interest Period, the date falling two Business Days prior to the Issue Date; and (b) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

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

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the "**First Interest Period**" shall commence on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Interest Rate**" shall have the meaning ascribed to it in Condition 7.5 (*Rate of Interest*).

"**Investment Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT84 B030 6909 4001 0000 0068 080), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Investors Report**" means the report to be prepared and delivered on each Investors Report Date by the Calculation Agent, pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investors Report Date**" means the 10th Business Day following each Payment Date, and if such day is not a Business Day, the immediately following Business Day.

"**ISP**" means Intesa Sanpaolo S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156, 10121 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of Euro 9,085,663,010.32 fully paid up, fiscal code and enrolment with the companies register of Turin No. 00799960158, Representative of the VAT Group "Intesa Sanpaolo" with VAT number 11991500015 (IT11991500015), enrolled under No. 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**ISPBL**" means Intesa Sanpaolo Bank Luxembourg S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg as a société anonyme, having its registered office at 19-21 Boulevard Prince Henri, 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés of Luxembourg* under number B 13859.

"**Issue Date**" means 27 November 2019.

"**Issue Price**" means 100% of the aggregate principal amount as at the Issue Date of the Notes.

"**Issuer**" means Brera Sec S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of Euro 10,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno No. 04899480265, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*") under No. 35393.8 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, on each Calculation Date, the available funds of the Issuer in respect of the immediately following Payment Date are constituted by the aggregate of (without duplication):

(i) all Collections received or recovered by the Issuer, through the Servicer, in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Accounts during the immediately preceding Collection Period;

(ii) all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Enforcement Priority of Payments (or, in the case of the First Payment Date, all amounts transferred on the Cash Reserve Account on the Issue Date);

(iii) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Collection Period;

(iv) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(v) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(vi) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payment Account as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Investment Account on the Issue Date as issue price of the Notes in excess of the Initial Principal Portfolio;

(vii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

For the avoidance of doubts, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of any Payment Date shall also comprise any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

"**Issuer Disbursement Amount**" means (a) on Issue Date the amount of Euro 200,000.00 and (b) on the First Payment Date and on each Payment Date falling in March thereafter, the difference between (i) Euro 200,000.00 and (ii) any amount standing to the credit of the Expenses Account on the Collection Date immediately preceding such Payment Date.

"**Issuer Retention Amount**" means (a) on the Issue Date the amount of Euro 65,000.00 and (b) on the First Payment Date and on each Payment Date falling in March thereafter, the difference between (i) Euro 85,000.00 and (ii) any amount standing to the credit of the Corporate Account on the Collection Date immediately preceding such Payment Date.

"**Issuer's Rights**" means all of the Issuer's rights under the Transaction Documents.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018 and published on the Official Gazette number 201 of 30 August 2018, as amended and supplemented from time to time.

"**Junior Notes Principal Payment Amount**" means, on each Calculation Date, the principal amount to be paid on the Junior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Junior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Junior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount less the Senior Notes Principal Payment Amount (if any) on such Payment Date.

"**Junior Notes Retained Amount**" means an amount equal to (a) 100,000 or (b) zero, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**List of Receivables**" means the list of the Receivables comprised in the Portfolio sold to the Issuer and contained in the CD-ROM (compact disc – read-only memory) that the Issuer and the Originator have undertaken to exchange between themselves pursuant to the terms of the Receivables Purchase Agreement.

"**Listing Agent**" means ISPBL or any other person for the time being acting as Listing Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Loan by Loan Report**" means the quarterly report setting out certain information about the Receivables requested by article 7(1) and article 22(4) of the Securitisation Regulation, which shall be prepared and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Margin**" means 0.85% *per annum*.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari, 6, 20123 Milan (MI), Italy.

"**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-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Monthly Servicer's Report**" means the monthly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Monthly Servicer's Report Date pursuant to the Servicing Agreement.

"**Monthly Servicer's Report Date**" means the 17th calendar day of each month of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Monthly Servicer's Report Date shall fall in October 2019.

"**Moody's**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, Moody's Investors Service España, S.A, and (ii) in any other case, any entity of Moody's Investors Service, Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Mortgage**" means any mortgage created on the Real Estate Assets to secure the relevant Receivables and the obligations arising from the relevant Mortgage Loan Agreement.

"**Mortgage Loan**" means each mortgage loan granted by the Originator to a Debtor, pursuant to a Mortgage Loan Agreement, whose Receivables have been transferred by such Originator to the Issuer pursuant to the Receivables Purchase Agreement

"**Mortgage Loan Agreement**" means each mortgage loan agreement between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

"**Mortgagor**" means any person, whether a borrower or a third party, who has granted a Mortgage in favour of the Originator, as security for the Receivables arising from any of the Mortgage Loan Agreements, and/or his successors and assigns.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

"**Noteholders**" means, collectively, the Senior Noteholders and the Junior Noteholders.

"**Notes**" means, collectively, the Senior Notes and the Junior Notes.

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

"**Originator**" means ISP.

"**Other Issuer Creditors**" means collectively the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative

Services Provider, the Paying Agent, the Account Bank, the Listing Agent, the Underwriter and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

"**Pass-Through Condition**" means the condition which occurs when, prior to the service of a Trigger Notice and for as long as the Senior Notes are outstanding, the Default Ratio is higher than 8%.

"**Paying Agent**" means ISP or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means the First Payment Date and, thereafter, the 15th calendar day of March, June, September and December of each year or, if such day is not a Business Day, the immediately succeeding Business Day.

"**Payments Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Performing Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement which are not Defaulted Receivables as at such date.

"**Performing Outstanding Principal Portfolio**" means the Outstanding Principal of all Receivables contained in the Performing Portfolio.

"**Portfolio**" means the portfolio of Receivables purchased by the Issuer from the Originator, under the Receivables Purchase Agreement.

"**Post Enforcement Priority of Payment**" means the order of priority of payments set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

"**Pre Enforcement Priority of Payment**" means the order of priority of payments set out in Condition 6.1 (*Pre Enforcement Priority of Payments*).

"**Previous Securitisations**" means the First Previous Securitisation and the Second Previous Securitisation.

"**Previous Securitisations Notes**" means the First Previous Securitisation Notes and the Second Previous Securitisation Notes.

"**Previous Securitisations Portfolio**" means the First Previous Securitisation Portfolio and the Second Previous Securitisation Portfolio.

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

"**Principal Outstanding Amount**" means, in relation to a certain date and to any Note, the nominal amount due for that Note as at the Issue Date, *minus* the amounts in respect of principal that have been paid in relation to such Note prior to such date.

"**Priority of Payments**" means the Pre Enforcement Priority of Payments and/or the Post Enforcement Priority of Payments, as the case may be.

"**Prospectus**" means this prospectus.

"**Purchase Price**" means the purchase price of the Portfolio paid by the Issuer to the Originator, pursuant to the Receivables Purchase Agreement, being equal to Euro 7,519,057,502.98.

"**Quarterly Servicer's Report**" means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer's Report Date pursuant to the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the 20th calendar day of February, May, August and November of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer's Report Date shall fall in February 2020.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT42 R030 6909 4001 0000 0012 758), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Quotaholders**" means, jointly, ISP and Stichting Saronno, in their capacity as quotaholders of the Issuer.

"**Quotaholders' Agreement**" means the Quotaholders' agreement entered into on 11 October 2017 between the Quotaholders and the Issuer in the context of the Previous Securitisation, as amended and supplemented pursuant to the First Agreement for the Extension of the Quotaholders' Agreement and the Second Agreement for the Extension of the Quotaholders' Agreement and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Rating Agencies**" means DBRS and Moody's.

"**Real Estate Assets**" means any residential real estate property which has been mortgaged in favour of the Originator to secure the Receivables.

"**Receivables**" means any and all current, future or potential monetary claims which have arisen or will arise in connection with any Mortgage Loan Agreements and any relevant security interest and mortgages.

"**Receivables Purchase Agreement**" means the Receivables purchase agreement entered into between the Issuer and the Originator on 25 September 2019, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Reference Rate**" means Euribor or any such alternative rate determined according to Condition 7.16 (*Benchmark Replacement*) which has replaced the Euribor in customary market usage for the purposes of determining floating rates of interest in respect of Euro denominated securities.

"**Regulated Market**" means the Regulated Market of the Luxembourg Stock Exchange which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU, as amended and supplemented from time to time.

"**Regulatory Technical Standards**" means:

(i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or

(ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

"**Reporting Entity**" means ISP.

"**Representative of the Noteholders**" means Securitisation Services S.p.A. or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Rules of the Organisation of the Noteholders**" means the rules governing the Organisation of the Noteholders, attached to these Conditions.

"**Sanctions**" means any economic or financial sanctions (of a nature similar to sanctions directly issued by OFAC) or trade embargoes or related restrictive measures imposed by a Sanctioning Body each as amended, supplemented or substituted from time to time.

"**Second Agreement for the Extension of the Corporate and Administrative Services Agreement**" means the second agreement for the extension of the Corporate and Administrative Services Agreement, entered into on 25 September 2019 between the Issuer, the Administrative Services Provider and the Corporate Services Provider.

"**Second Agreement for the Extension of the Quotaholders' Agreement**" means the second agreement for the extension of the Quotaholders' Agreement, entered into on or about the Issue Date between the Issuer and the Quotaholders.

"**Second Previous Securitisation**" means the securitisation transaction carried out in December 2018 by the Issuer through the issuance of the Second Previous Securitisation Notes pursuant to articles 1 and 5 of the Securitisation Law.

"**Second Previous Securitisation Notes**" means the Euro 3,750,000,000 Class A Asset Backed Floating Rate Notes due October 2070 and the Euro 1,529,719,000 Class B Asset Backed Fixed Rate and Additional Return Notes due October 2070.

"**Second Previous Securitisation Portfolio**" means the portfolios of receivables purchased by the Issuer in the context of the Second Previous Securitisation.

"**Securitisation**" means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

"**Securitisation Law**" means the Italian law No. 130 dated 30 April 1999, as amended and supplemented from time to time.

"**Securitisation Regulation**" means the Regulation (EU) No. 2402 of 12 December 2017, as amended and supplemented from time to time.

"**Securitisation Services**" means Securitisation Services S.p.A., a company with a sole shareholder incorporated under the laws of the Republic of Italy as a *società per azioni*, subject to the direction and coordination activity (*attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A., having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 2,000,000.00, fiscal code and enrolment with the companies register of Treviso-Belluno number 03546510268, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, currently enrolled under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the "*Gruppo Banca Finanziaria Internazionale*", registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**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 of any sum owed or payable to any person; or

(iii) any other type of preferential arrangement having a similar effect.

"**Segregated Assets**" means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

"**Senior Notes Principal Payment Amount**" means, on each Calculation Date, the principal amount to be paid on the Senior Notes in respect to the immediately following Payment Date, being the lesser of:

(i) the Principal Outstanding Amount of the Senior Notes on such Calculation Date;

(ii) the Issuer Available Funds on such Payment Date net of all amounts payable on such Payment Date in priority to the Senior Notes Principal Payment Amount; and

(iii) the greater of (a) zero, and (b) the Target Amortisation Amount on such Payment Date.

"**Servicer**" means ISP.

"**Servicing Agreement**" means the servicing agreement entered into on 25 September 2019 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on or about the Issue Date between the Subordinated Loan Provider, the Representative of the Noteholders and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subordinated Loan Provider**" means ISP.

"**Subscription Agreement**" means the agreement for the subscription of the Notes entered into on or about the Issue Date between the Issuer, the Underwriter, the Originator, the Arrangers and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Subsidiary**" of any Italian company means any *società controllata* (subsidiary) and/or *società collegata* (affiliate company) of such company within the meaning of the article 2359 of the Italian Civil Code.

"**Target Amortisation Amount**" means, on each Payment Date, an amount equal to the difference between: (A) the Principal Outstanding Amount of all Notes as at the date immediately preceding the relevant Payment Date, and (B) the Performing Outstanding Principal Portfolio as at the end of the Collection Period immediately preceding the relevant Payment Date.

"**TARGET System**" means the TARGET2 system.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET2 Day**" means any day on which the TARGET System is open.

"**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.

"**Tax Deduction***"* means any deduction or withholding on account of Tax.

"**Temporary Website**" means the website complying with the requirements set out under article 7(2) of the Securitisation Regulation on which the information set out under article 7(1) of the Securitisation Regulation are uploaded with reference to the Securitisation (being as at the date of this Prospectus, https://editor.eurodw.eu) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

"**Three Month Euribor**" means the Euribor 3 month tenor.

"**Transaction Documents**" means, collectively, the Receivables Purchase Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate and Administrative Services Agreement (as amended and supplemented by the First Agreement for the Extension of the Corporate and Administrative Services Agreement and the Second Agreement for the Extension of the Corporate and Administrative Services Agreement), the Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Subordinated Loan Agreement, the Quotaholders' Agreement (as amended and supplemented by the First Agreement for the Extension of the Quotaholders' Agreement and the Second Agreement for the Extension of the Quotaholders' Agreement), the Conditions, this Prospectus and any other document which may be entered into in order to perfect the Securitisation.

"**Transaction Party**" means any party to any of the Transaction Documents.

"**Trigger Event**" means any of the events described in Condition 12.1 (*Trigger Events*).

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Condition 12.2 (*Delivery of a Trigger Notice*).

"**Underwriter**" means ISP.

"**Usury Law**" means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

"**UTP Receivable**" means a Receivable towards a Debtor classified as "*unlikely to pay*" in compliance with the applicable supervisory reports (*segnalazioni di vigilanza*).

"**VAT**" means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 25 September 2019 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2. *Interpretation*

2.2.1. *References in Condition*

Any reference in these Conditions to:

- "**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;

- a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

- "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

- 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.

2.2.2. *Transaction Documents and other agreements*

Any reference to a document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3. *Transaction parties*

A reference to any person defined as a "**Transaction Party**" in these Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

3. DENOMINATION, FORM AND TITLE

3.1. *Denomination*

The denomination of the Senior Notes will be Euro 100,000. The denomination of the Junior Notes will be Euro 100,000.

3.2. *Form*

The Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the Joint Regulation.

3.3. *Title and Monte Titoli*

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title will be issued in respect of the Senior Notes.

3.4. *Holder Absolute Owner*

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3.5. *The Rules*

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which shall constitute an integral and essential part of these Conditions.

4. STATUS, SEGREGATION AND RANKING

4.1. *Status*

The Notes constitute direct, secured and limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights as further specified in Condition 9.2 (*Limited recourse obligations of the Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions under article 1469 of the Italian civil code.

4.2. *Segregation by law*

By virtue of the Securitisation Law, the Issuer's Rights, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable and for so long as such cash flows are credited to one of the Issuer's Accounts under this Transaction and not commingled with other sums) will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to pay any cost, fee and expense payable to the Other Issuer Creditors (as defined in the Conditions) and to any third party creditor of the Issuer in respect of any cost, fee and expense payable by the Issuer to such third party creditor in relation to the Securitisation.

4.3. *Ranking and subordination*

4.3.1. In respect of the obligation of the Issuer to pay interest on the Notes and Additional Return (as applicable) prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior

Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal up to the Target Amortisation Amount on the Notes prior to (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

In respect of the obligation of the Issuer, to pay interest on the Notes and Additional Return (as applicable) following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal on the Senior Notes, payment of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (i) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (ii) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payment of interest and repayment of principal on the Notes.

In respect of the obligation of the Issuer to repay principal on the Notes following (i) the service of a Trigger Notice, (ii) an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), (iii) an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest on the Senior Notes, but in priority to payment of interest, repayment of principal and payment of Additional Return on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payment of interest and repayment of principal on the Senior Notes and payment of interest on the Junior Notes, but in priority to payment of Additional Return on the Junior Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds net of any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

4.3.2. The Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4. *Obligations of Issuer only*

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person, including the Originator, the Quotaholders or any Other Issuer Creditor. Furthermore, no person and none of such Transaction Parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

5. COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in or contemplated by any of the Transaction Documents:

5.1. *Negative pledge*

Create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.2. *Restrictions on activities*

5.2.1. engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2. have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3. at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4. become the owner of any real estate asset (including in the context of enforcement proceedings relating to a Real Estate Asset); or

5.2.5. become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed, administered in Italy or cease to have its centre of main interest in Italy; or

5.3. *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to any of its Quotaholders (or successor quotaholder(s)), or increase its capital, save as required by applicable law; or

5.4. *De-registrations*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 ("*Disposizioni in materia di obblighi informative e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*"), for as long as the Securitisation Law or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

5.5. *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

5.6. *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

5.7. *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8. *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Quota Capital Account or any bank account opened in relation to the Previous Securitisations and to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9. *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10. *Corporate records, financial statements and books of account*

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity, or, in general, cease to comply with all corporate formalities necessary to ensure its corporate existence and good standing; or

5.11. *Further securitisations*

carry out any other securitisation transaction pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Senior Notes and the eligibility of the Senior Notes as eligible collateral pursuant to the ECB Guidelines, and (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law. In accordance with the Securitisation Law, the Issuer is a multi-purpose vehicle and it has already engaged two securitisation transactions carried out in accordance with the Securitisation Law, completed in: (i) December 2017 and involving the issue of asset-backed notes in an aggregate amount of Euro 7,092,309,000 (i.e. the First Previous Securitisation and the First Previous Securitisation Notes); and (ii) December 2018 and involving the issue of asset-backed notes in an aggregate amount of Euro 5,279,719,000 (i.e. the Second Previous Securitisation and the Second Previous Securitisation Notes); or

5.12. *Derivatives*

enter into derivative contracts save as expressly permitted by article 21, paragraph 2, of the Securitisation Regulation.

6. PRIORITY OF PAYMENTS

6.1. *Pre Enforcement Priority of Payments*

Prior to (i) the delivery of a Trigger Notice, or (ii) the exercise of an optional redemption of the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or (iv) the Final Maturity Date, the Issuer Available Funds shall be applied on each Payment Date in making, or providing for, the following payments in the following order of priority (the "**Pre Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Corporate Account are insufficient to pay such taxes);

Second, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate

Account, and (b) to the credit the Issuer Disbursement Amount into the Expenses Account and the Issuer Retention Amount into the Corporate Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

Fourth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fifth, to credit to the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

Sixth, to pay all amounts of interest due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement up to (but not in excess of) the Cash Reserve Released Amount on such Payment Date;

Eighth, to pay, *pari passu* and *pro rata*, on any Payment Date, (i) before the occurrence of a Pass-Through Condition, the Senior Notes Principal Payment Amount on the Senior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Ninth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Tenth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes on such Payment Date;

Eleventh, provided that the Senior Notes have been redeemed in full, to pay, *pari passu* and *pro rata* on any Payment Date (i) before the occurrence of a Pass-Through Condition, the Junior Notes Principal Payment Amount on the Junior Notes on such Payment Date or (ii) after the occurrence of a Pass-Through Condition, the principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount;

Twelfth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

6.2. *Post Enforcement Priority of Payments*

On each Payment Date following (i) the service of a Trigger Notice, or (ii) the exercise of an optional redemption pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*), or (iii) the exercise of an optional redemption in whole for taxation reasons pursuant to Condition 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), or on the Final Maturity Date, the Issuer Available Funds shall be applied in making, or providing for, the following payments in the following order of priority (the "**Post Enforcement Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all taxes due and payable by the Issuer (to the extent that amounts standing to the credit of the Corporate Account are insufficient to pay such taxes);

Second, if the relevant Trigger Event is not one of those listed under Conditions 12.1.4 or 12.1.5 (*Trigger Events*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) any Issuer's documented fees, costs and expenses pertaining to the Securitisation, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation and any other obligation relating to the Transaction Documents to the extent that such fees, costs and expenses are not payable under any other item ranking junior hereto and/or are not met by utilising any amounts standing to the credit of the Expenses Account and/or the Corporate Account, and (b) to credit the Issuer Disbursement Amount into the Expenses Account and the Issuer Retention Amount into the Corporate Account;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Services Provider, the Administrative Services Provider, the Servicer and any other amount due by the Issuer in relation to the recovery of the Receivables classified by the Servicer as "*in sofferenza*" pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*);

Fourth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fifth, to pay, *pari passu* and *pro rata*, the Principal Outstanding Amount in respect of the Senior Notes on such Payment Date;

Sixth, to pay all amounts of interest due and payable on such Payment Date to the Subordinated Loan Provider under the Subordinated Loan Agreement;

Seventh, to pay to the Subordinated Loan Provider any principal amount due and payable in respect of the Subordinated Loan Agreement;

Eighth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Ninth, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Tenth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Outstanding Amount of the Junior Notes is equal to the Junior Notes Retained Amount; and

Eleventh, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes.

7. INTEREST

7.1. *Accrual of interest*

Each Note bears interest on its Principal Outstanding Amount from (and including) the Issue Date.

7.2. *Payment Dates and Interest Periods*

Interest on each Note will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling on 16th March 2020 in respect of the First Interest Period.

7.3. *Termination of interest accrual*

Each Note (or the portion of the Principal Outstanding Amount due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agent receives all amounts due on behalf of all such Noteholders.

7.4. *Calculation of interest*

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360-day year.

7.5. *Rate of interest*

7.5.1. The rate of interest applicable from time to time in respect of the Senior Notes (the "**Senior Notes Interest Rate**") will be the Three Month Euribor (or, in the case of the Initial Interest Period, the rate per annum obtained by linear interpolation of the Euribor for 3 months and 6 months), as determined and defined in accordance with Condition 7 (*Interest*) plus a margin equal to 0.85% *per annum* (the "**Margin**"), *provided that* the Interest Rate (being the Three Month Euribor plus the Margin) applicable on each of the Senior Notes shall not be higher than 2.15% *per annum* and shall not be negative.

7.5.2. The Junior Notes will bear interest on their Principal Outstanding Amount from and including the Issue Date at the rate equal to 0.50% per annum (the "**Junior Notes Interest Rate**" and, together with the Senior Notes Interest Rate, the "**Interest Rates**").

7.6. *Determination of Interest Rate and calculation of Interest Payment Amounts*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

7.6.1. the Interest Rate applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the First Interest Period, beginning on and including the Issue Date);

7.6.2. the Euro amount (the "**Interest Payment Amount**") payable as interest on a Note in respect of the following Interest Period calculated by applying the relevant Interest Rate to the Principal Outstanding Amount of such Note on the Payment Date at the commencement of such Interest Period (or, in the case of the First Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded up) with the relevant interest adjustment, if necessary.

7.7. *Notification of the Interest Rate, Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

7.7.1. the Interest Rate applicable for the relevant Interest Period;

7.7.2. the Interest Payment Amount for each Note for the relevant Interest Period; and

7.7.3. the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider, the Administrative Services Provider, Monte Titoli, Euroclear, Clearstream and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Monte Titoli*) on or as soon as possible after the relevant Interest Determination Date.

7.8. *Amendments to publications*

The Interest Rate and the Interest Payment Amount for each Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9. *Determination by the Representative of the Noteholders*

If the Issuer (or the Paying Agent on behalf of the Issuer) does not at any time for any reason determine (or cause to be determined) the Interest Rate or calculate the Interest Payment Amount for the Notes in accordance with this Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1. determine (or cause to be determined) the Interest Rate at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or (as the case may be)

7.9.2. determine (or cause to be determined) the Interest Payment Amount for each Note in the manner specified in Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*);

and any such determination shall be deemed to have been made by the Issuer.

7.10. *Unpaid interest with respect to the Notes*

Without prejudice to Condition 12.1.1 (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre Enforcement Priority of Payments or the Post Enforcement Priority of Payments, as applicable), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Payment Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Payment Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Payment Amount payable on the Notes on the immediately following Payment Date. Unpaid interest on the Notes shall accrue no interest. Unpaid interest on the Notes shall accrue no interest.

7.11. *Additional Return*

An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the applicable Priority of Payments.

7.12. *Calculation of the Additional Return*

7.12.1. The Issuer shall, on each Calculation Date immediately preceding a Payment Date, calculate or cause the Calculation Agent to calculate the Euro amount (the "**Additional Return Amount**") payable on each Junior Note in respect of such Interest Period.

7.12.2. The Additional Return Amount payable in respect of any Interest Period in respect of each Junior Note will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Additional Return on the Junior Notes in accordance with the applicable Priority of Payments.

7.13. *Publication of the Additional Return*

The Issuer will, on each Calculation Date, cause the determination of the Additional Return Amount in respect of each Junior Note to be notified forthwith by the Calculation Agent through the delivery of the Payments Report to, *inter alios*, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Services Provider and the Administrative Services Provider, and will cause notice of the Additional Return Amount in respect of each Junior Note to be given in accordance with Condition 16 (*Notices*).

7.14. *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Paying Agent, the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

7.15. *Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may not resign until a successor approved in writing by the Servicer has been appointed. If a new Paying Agent is appointed notice of its appointment will be published in accordance with Condition 16 (*Notices*).

7.16. *Benchmark Replacement*

7.16.1. If the Issuer or the Calculation Agent determines at any time prior to, on or following any Interest Determination Date, that the Relevant Screen Page on which the Reference Rate appears has been discontinued or it is materially changed, or following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of Benchmark Regulation, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint an agent (the "**Reference Rate Determination Agent**"), which will not later than the date which falls fifteen (15) calendar days before the end of the Interest Period relating to the relevant Interest Determination Date (the "**Interest Determination Cut-off Date**") determine, in a commercially reasonable manner, whether any comparable rate, replacing in customary market usage the Reference Rate which has been discontinued or is materially changed, is available. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will use such successor rate to replace the Reference Rate as benchmark for the calculation of the Senior Notes Interest Rate. If the Reference Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "**Replacement Reference Rate**"), for purposes of determining the Reference Rate on each Interest Determination Date falling on or after such determination:

(i) the Reference Rate Determination Agent will also determine changes (if any) to the so called business day convention, the definition of "Business Day", the definition of "Interest Determination Date", the day count fraction and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the discontinued Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate;

(ii) references to the Reference Rate in the Conditions will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in this Condition 7.16.1;

(iii) the Reference Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and

(iv) the Issuer will give notice as soon as reasonably practicable to the Representative of the Noteholders, the Noteholders, the Paying Agent and the Calculation Agent specifying the Replacement Reference Rate, as well as the details described in this Condition 7.16.1.

7.16.2. The determination of the Replacement Reference Rate and the other matters referred to above by the Reference Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent and the Noteholders, unless the Issuer considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Reference Rate or does not constitute an industry accepted successor rate, in which case the Issuer shall re-appoint a Reference Rate Determination Agent (which may or may not be the same entity as the original Reference Rate Determination Agent) for the purpose of confirming the Replacement Reference Rate or determining a substitute Replacement Reference Rate in an identical manner as described in the Condition 7.16.1 above, which will then (in the absence of manifest error) be final and binding on the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent and the Noteholders. If the Reference Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the last known Replacement Reference Rate will apply.

7.16.3. If the Reference Rate Determination Agent determines that the Relevant Screen Page on which appears the Reference Rate has been discontinued or a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation has been adopted, but for any reason a Replacement Reference Rate has not been determined later than the Interest Determination Cut-off Date, the Relevant Screen Page on which appears the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

7.16.4. The Reference Rate Determination Agent may be (i) a leading bank, (ii) an independent financial advisor internationally recognized, (iii) the Calculation Agent (if agreed in writing by the Calculation Agent itself) or (iv) any other entity which the Issuer considers has the necessary competences to carry out such role.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1. *Final redemption*

8.1.1. Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer shall redeem the Notes of each Class at their Principal Outstanding Amount, plus any accrued but unpaid interest and Additional Return (if any), on the Final Maturity Date.

8.1.2. The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided below in Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).

8.2. *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause:

8.2.1. the Senior Notes to be redeemed on such Payment Date in an amount equal to the Senior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2; and

8.2.2. the Junior Notes to be redeemed on such Payment Date in an amount equal to the Junior Notes Principal Payment Amount determined on the relevant Calculation Date according to Condition 8.5.2.

8.3. *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued but unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments, subject to the Issuer:

8.3.1. giving not more than 60 days and not less than 30 days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders and to the Noteholders in accordance with Condition 16 (*Notices*) of its intention to redeem the Notes; and

8.3.2. having produced, prior to the notice referred to in Condition 8.3.1 above, evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

8.4. *Optional redemption for taxation reasons*

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) at their Principal Outstanding Amount (plus any accrued and unpaid interest thereon up to and including the relevant Payment Date), in accordance with the Post Enforcement Priority of Payments, upon the imposition, at any time, of:

8.4.1. any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

8.4.2. any changes in Italian Tax law (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

subject to the following:

8.4.3. that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4. that prior to giving such notice, the Issuer:

(a) has provided to the Representative of the Noteholders a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(b) has produced evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, on such Payment Date to discharge all of its outstanding liabilities in respect of the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, with the prior consent of the Junior Noteholders, in part) and any other payment ranking higher or *pari passu* with the Notes to be redeemed in accordance with the Post Enforcement Priority of Payments.

8.4.5. *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.5. *Calculation of Principal Payment Amount and Principal Outstanding Amount*

8.5.1. On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(c) the amount of the Issuer Available Funds;

(d) the Principal Payment Amount due on each Note of each Class on the next following Payment Date; and

(e) the Principal Outstanding Amount of each Note of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Note of each Class).

8.5.2. The principal amount redeemable in respect of each Note of each Class (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) due in respect of such Class of Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Senior Notes Principal Payment Amount or the Junior Notes Principal Payment Amount (as the case may be) on such date by a fraction, the numerator of which is the then Principal Outstanding Amount of each Note of such Class and the denominator of which is the then Principal Outstanding Amount of all the Notes of the same Class, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Outstanding Amount of the relevant Note.

8.6. *Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent and, for so long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Outstanding Amount in relation to each Note to be given in accordance with Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

8.7. *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.8. *Notice Irrevocable*

Any such notice as is referred to in Conditions 8.3 (*Optional redemption*), 8.4 (*Optional redemption for taxation reasons*) and 8.6 (*Notice of calculation of Principal Payment Amount and Principal Outstanding Amount*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.3 (*Optional redemption*) or Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes in the amount so published.

8.9. *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.10. *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1. *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents. In particular,

9.1.1. (i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and (ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) is entitled, otherwise than as permitted by the Transaction Documents, to directly enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents and take any proceedings against the Issuer to enforce any Security Interest granted by the Issuer in accordance with the Transaction Documents;

9.1.2. no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this Condition shall not prevent the Noteholders - in compliance with the Rules - from taking any steps against the Issuer which do not involve the commencement or the threat of

commencement of legal proceedings against the Issuer or which do not amount to the commencement or to the threat of commencement to initiating an Insolvency Event in relation to the Issuer;

9.1.3. until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless a Trigger Notice has been served or an Insolvency Event has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is continuing, provided that the Noteholders may then only proceed subject to the provisions of the Conditions; and

9.1.4. no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

9.2. *Limited recourse obligations of the Issuer*

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

9.2.1. each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

9.2.2. sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and

9.2.3. if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Issuer's Rights and Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Issuer's Rights and Segregated Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

10. PAYMENTS

10.1. *Payments through Monte Titoli*

Payment of any amounts in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2. *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3. *Payments on Business Days*

The Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4. *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that (for as long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying agent with a Specified Office in the Grand Duchy of Luxembourg. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Condition 16 (*Notices*).

11. TAXATION

11.1. *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent or any paying agent, as the case may be, appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2. *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

11.3. *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4. *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agent or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

12. TRIGGER EVENTS

12.1. *Trigger Events*

Each of the following events is a "**Trigger Event**":

12.1.1. *Non-payment*

(i) the Issuer defaults in the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or the amount of principal due and payable on the Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;

(ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2. *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from the discovery that such representations and warranties were incorrect or misleading; or

12.1.3. *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount on the Most Senior Class of Notes and/or principal on the Notes pursuant to 12.1.1 above) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.4. *Insolvency of the Issuer*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the

opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not 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 the Issuer or such proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment of 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 the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(iv) the Issuer 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; or

12.1.5. *Winding up etc.*

an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Issuer (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders) or any of the events under article 2484 of the Italian civil code occurs with respect to the Issuer; or

12.1.6. *Unlawfulness*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party, when compliance with such obligations is deemed by the Representative of the Noteholders to be material in its sole discretion,

12.2. *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Condition 13 (*Enforcement*) the Representative of the Noteholders:

12.2.1. in the case of a Trigger Event under Conditions 12.1.1, 12.1.4 and 12.1.5 above, shall; and

12.2.2. in the case of a Trigger Event under Conditions 12.1.2, 12.1.3 and 12.1.6 above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the condition set out in Condition 12.3 is met, shall,

deliver a written notice (the "**Trigger Notice**") to the Issuer.

12.3. *Conditions to delivery of a Trigger Notice*

Notwithstanding Condition 12.2.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless it has been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4. *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Additional Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Outstanding Amount, together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.2 (*Post Enforcement Priority of Payments*).

Upon the delivery of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21, paragraph 4, letter a), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

No provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter d), of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

13. ENFORCEMENT

13.1. *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2. *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1. to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2. if the Representative of the Noteholders is not of that opinion, such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3. *Sale of Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby and clause 7.2 of the Intercreditor Agreement.

14. THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1. *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2. *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. NOTICES

16.1. *Notices given through Monte Titoli*

Any notice regarding the Notes of each Class, as long as such Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2. *Notices in the Grand Duchy of Luxembourg*

16.2.1. As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such stock exchange so require, any notice regarding the Senior Notes to the Senior Noteholders given by or on behalf of the Issuer shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) (for the avoidance of doubt, such website does not form part of this Prospectus) and shall also be considered sent for the purposes of Directive 2004/109/EC. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

16.2.2. In addition, as long as the Senior Notes are listed on the Luxembourg Stock Exchange, any notice regarding the Senior Notes to the Senior Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

16.3. *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default or bad faith) be binding on the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer,

the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18. GOVERNING LAW AND JURISDICTION

18.1. *Governing Law of Notes*

The Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2. *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3. *Jurisdiction of courts in relation to the Notes*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4. *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Noteholders is created concurrently with the issue by Brera Sec S.r.l. (the "**Issuer**") of and subscription for the Euro 6,650,000,000 Class A Residential Mortgage Backed Floating Rate Notes due December 2072 (the "**Class A Notes**" or the "**Senior Notes**") and the Euro 859,500,000 Class B Residential Mortgage Backed Fixed Rate and Additional Return Notes due December 2072 (the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") and is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 **Definitions**

2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Additional Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to alter the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) to change this definition.

"**Blocked Notes**" means Notes 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 Paying Agent for the purpose of obtaining from the 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.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

"**Conditions**" means the terms and conditions at any time applicable to the Notes, as from time to time modified in accordance with the provisions thereof, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**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-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Most Senior Class of Noteholders**" means, at any Payment Date, (i) the Senior Noteholders, and (ii) at any date following the date of full repayment of all the Senior Notes, the Junior Noteholders.

"**Most Senior Class of Notes**" means, at any Payment Date, (i) the Senior Notes, or (ii) following the full repayment of the Senior Notes, the Junior Notes.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively.

"**Specified Office**" means (i) with respect to the Paying Agent (a) the office specified against its name in clause 21.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 16.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Transaction Party**" means any person who is a party to a Transaction Document.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events*).

"**Trigger Notice**" means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*).

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the 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 Joint Regulation; or

(b) a certificate issued by the Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who 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 Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

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.

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.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 **Issue**

4.1.1 A Noteholder 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 Joint Regulation.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the 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.

4.2 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 **Deemed Holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party 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 a Paying Agent and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 **References to the blocking or release**

Reference to the blocking or release of Notes 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 AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, 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 Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Outstanding Amount of the outstanding Notes of the relevant Class or Classes.

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 Noteholders 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 Noteholders.

6.4 **Meetings via audio conference or teleconference**

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may, also through its chairman office (if any), ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day on which the relevant 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 Noteholders, the Paying Agent and any other agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, 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 Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the Joint Regulation and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the 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 (*Notice*) are not complied with if the Holders of the Notes constituting the Principal Outstanding Amount of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders 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 defines the terms for 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 Noteholders.

9. **QUORUM**

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent. of the Principal Outstanding Amount of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Outstanding Amount of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent. of the Principal Outstanding Amount of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Outstanding Amount of the Notes so held or represented in such Class.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to Articles 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and not later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

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

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;

13.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

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 Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Outstanding Amount of the outstanding Notes conferring the right to vote at the Meeting. 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.

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. 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, one vote for each Euro 100,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he/she 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 any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders 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 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. ORDINARY RESOLUTIONS

18.1 Powers exercisable by Ordinary Resolution

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or 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 Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Ordinary Resolution of a single Class

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of 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 Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise or instruct the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 (*Trigger Events*);

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.1.11 terminate the appointment of the Originator in its capacity as Servicer;

19.1.12 direct the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution of any Class of Noteholders to approve any matter (other than a Basic Terms Modification) shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Articles 18.2 (*Ordinary Resolution of a single Class*), 19.2 (*Basic Terms Modification*) and 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. 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 at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Services Provider on behalf of the Issuer).

23. 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.

24. JOINT MEETINGS

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Article 26 (*Individual actions and remedies*) shall not prejudice the right if any Noteholder, under Condition 9.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders 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 Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28 (*Appointment, removal and remuneration*), except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree No. 141 of 13 August 2010, as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders 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 Noteholders, and if appointed as such they shall be automatically removed.

28.3 **Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 **After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which 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 Notes.

28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue and subscription of the Notes 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 up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, 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 Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three calendar months from the written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 **Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 **Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 **Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, 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 delegation pursuant to Article 30.3.2 may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders 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 Noteholders 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 Noteholders shall, as soon as reasonably practicable, give notice to the Issuer 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 of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 **Consents given by Representative of Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

The Representative of the Noteholders, save as expressly otherwise provided herein or in any other Transaction Document, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders

shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event 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 Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer 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 Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the 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;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) 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 Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Paying Agent or any other person in respect of the Portfolio;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or 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 Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 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;

31.2.10 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 Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damage, claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a Trigger Notice pursuant to Condition 12.3.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders 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 costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders 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 to it.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders 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 Noteholders may refrain from taking any action which would or might, in its sole 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 liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders 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 Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders 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.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders 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 responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 Resolution or direction of Noteholders

The Representative of the Noteholders 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 Noteholders, 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 Noteholders.

32.5 Certificates of Monte Titoli Account Holders

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders 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 Noteholders 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 Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any Transaction Party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such Transaction Party; or

32.8.3 as to such Transaction Party's opinion with respect to any issue

and the Representative of the Noteholders 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 loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders 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.

33. **MODIFICATIONS**

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 (*Further securitisations*) and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of Notes but 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.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Outstanding Amount of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, 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.

35. **INDEMNITY**

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders 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 Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. POWERS

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, 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 Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer'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

38. GOVERNING LAW

The Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. JURISDICTION

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

The estimated maturity and weighted average life of the Senior Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolio and a number of other relevant facts are unknown.

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

Calculations as to the expected maturity and average life of the Senior Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations can be made that such estimates are accurate, or that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The following table shows the estimated weighted average life and the estimated maturity of the Senior Notes and was prepared based on the characteristics of the Receivables included in the Portfolio as at the Effective Date and on additional assumptions, including the following:

(i) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(ii) the constant prepayment rate as per table below, has been applied to the Portfolio in homogeneous terms;

(iii) no Trigger Event occurs in respect of the Notes;

(iv) no optional redemption for taxation reasons pursuant to Condition 8.4 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(v) the terms of the Mortgage Loans will not be affected by any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(vi) no variation in the interest rates;

(vii) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

(viii) all the Receivables included in the Portfolio bearing a fixed rate as at the Effective Date have been considered to bear such rate until their maturity date;

(ix) all the Receivables included in the Portfolio bearing a floating rate as at the Effective Date have been considered to bear such rate until their maturity date;

(x) the fees and the costs payable under the Transaction Documents by the Issuer in connection with the Securitisation under the items from *First* to *Third* of the Pre-Enforcement Priority of Payments have been included;

(xi) no positive or negative interest accrues on the accounts;

(xii) no Pass-Through Condition occurs;

(xiii) the Issue Date has been assumed to be 27 November 2019;

(xiv) no permitted variations of the Mortgage Loans in accordance with the servicing agreement occur.

The actual performance of the Receivables is likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown below are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Constant prepayment rate (%)	**Estimated weighted average life (years)**	**Estimated maturity (Payment Date falling on)**
0%	10.76	15 March 2043
2.5%	8.42	15 December 2039
5%	6.77	15 June 2037
7.5%	5.58	15 December 2034
10%	4.71	15 December 2032
15%	3.52	15 December 2029
20%	2.78	15 December 2027

The table above assumes that the Issuer will not exercise its option to redeem the Senior Notes pursuant to Condition 8.3 (*Optional Redemption*).

Constant prepayment rate (%)	**Estimated weighted average life (years)**	**Estimated maturity (Payment Date falling on)**
0%	10.54	15 March 2039
2.5%	8.22	15 March 2036
5%	6.57	15 June 2033

7.5%	5.38	15 March 2031
10%	4.52	15 June 2029
15%	3.38	15 March 2027
20%	2.67	15 September 2025

The table above assumes that the Issuer will exercise its option to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption*) on the Clean Up Option Date.

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

SELECTED ASPECTS OF ITALIAN LAW

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies, *inter alia*, to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**") and Italian Law Decree No. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduced certain amendments to the Securitisation Law to the purpose of improving the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law.

In particular, the following main changes have been introduced by such laws in respect of the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even if partial) has been paid;

2. payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to Article 65 of the Bankruptcy Law;

3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (*i.e.*, the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply; and

4. where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor.

5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts

will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so-called micro-companies, subject to certain conditions;

7. certain consequential changes are made to the Securitisation Law to reflect such new possibility;

8. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

Amendments to the Securitisation Law for NPLs and UTPs securitisation transactions

By the Law Decree n. 50 of 24 April 2017 (containing urgent provisions on financial matters, initiatives in favour of territorial authorities, further actions for areas affected by seismic events and development measures) (the "**Decree 50/2017**"), converted with amendments by Law n. 96 of 21 June 2017, some changes and supplements have been made to the Securitisation Law in order to, mainly, be a more useful management tool of the non performing loans (the "**NPLs**") of leasing companies, the non performing loans secured by assets and the unlikely to pay debts (the "**UTPs**").

The above provisions apply to NPLs and UTPs securitisation transactions and are mainly aimed to:

(i) facilitate the NPLs trade of leasing companies and secured NPLs;

(ii) facilitate the trade of NPLs and UTPs owed to banks by companies that are in a situation of crisis.

Latest amendments to the Securitisation Law introduced by 2019 Budget Law

Law No. 145 of 30 December 2018 (the "**2019 Budget Law**"), as published in the Official Gazette No. 302 of 31 December 2018, provided, *inter alia*, for certain amendments to the Securitisation Law applicable as of 1 January 2019.

In particular, 2019 Budget Law introduced new measures to the Securitisation Law aiming at:

(i) further favouring the realization of securitisations through the purchase or subscription by the SPV of, inter alia, bonds or debt securities, by providing that where the notes issued in the context of the securitisation are to be purchased by qualified investors pursuant to article 100 of the Consolidated Financial Act, certain restrictions do not apply;

(ii) allowing SPVs to grant financings also in conjunction with and in addition to the transactions provided for under article 1, paragraphs 1 and 1-bis of the Secuitisation Law;

(iii) clarifying certain aspects of article 7, paragraph 1(a) of the Securitisation Law, on lending operations carried out by the SPV vis-à-vis the transferor;

(iv) extending the application of the Securitisation Law to securitisation transactions concerning the securitization of proceeds deriving from the ownership or other rights on real estates, registered movable properties; and

(v) introducing new measures allowing the borrowers of the SPV to segregate the claims and assets representing the guarantee for the financings received and/or to constitute a pledge over such claims and assets.

Further amendments to the Securitisation Law have been made by Law Decree No. 34 of 30 April 2019 (*Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*), published in the Official Gazette No. 100 of 30 April 2019 (the "**Decreto Crescita**").

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including, for the avoidance of doubt, any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's Accounts under the Securitisation and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 ("**Law 116/2014**") in order to include not only the relevant receivables but also (i) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (ii) the cash-flows deriving from the relevant receivables and such monetary rights and (iii) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle

against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

(ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to file any petition in the relevant insolvency proceeding and outside any distribution plan.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration of the transfer in the companies register for the place where the Issuer has its registered office, so avoiding the need for individual notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment *vis-à-vis* the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

   (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw back action according to article 67 of the Bankruptcy Law. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

Notice of the sale of the Receivables pursuant to the Receivables Purchase Agreement by the Originator to the Issuer was respectively published on the Official Gazette No. 116, Part 2, on 3 October 2019 and registered with the Register of Enterprises of Treviso-Belluno on 25 September 2019.

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (*Legge Delega*) conferring to the Governement the powers to reform the Bankruptcy Law. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette and will enter into force as of 15 August 2020 except for certain amendments entered into force as of 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not been tested in any case law nor specified in any further regulation and, therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

The Issuer

Under the provisions of Article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (Articles from 2410 to 2420) are inapplicable to the Issuer. According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Enforcement proceedings of mortgaged properties

The Italian civil code provides that mortgages may be "voluntary" (*ipoteche volontarie*), where granted by a borrower or a third party guarantor by way of a deed, or "judicial" (*ipoteche giudiziarie*), where registered in the appropriate land registry (*Conservatoria dei Registri Immobiliari*) following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

In accordance with the Italian code of civil procedure, as amended and supplemented, a mortgage lender (whose debt is secured by a mortgage whether "voluntary" or "judicial") may commence enforcement proceedings by seeking a court order or injunction for payment in the form of a *titolo esecutivo* from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed (*atto pubblico*) or a notarised private deed (*scrittura privata autenticata*), a mortgage lender can serve a copy of the Loan Agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain a *titolo esecutivo* from the court. An *atto di precetto* is notified to the debtor together with either the *titolo esecutivo* or the loan agreement, as the case may be.

Within ten days of filing, but not later than ninety days from the date on which notice of the *atto di precetto* is served, the mortgage lender may request the attachment of the mortgaged property.

The property will be attached by a court order to be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral certificates, which usually take some time to obtain. Law number 302 of 3 August 1998 should reduce the duration of the foreclosure proeedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing the latter to conduct various activities which were before exclusively within the powers of the courts.

Within 30 days of deposit of the required documentation, the court shall set a hearing in order to examine any challenge filed by the debtor and to plan the sale of the mortgaged property. The Italian code of civil procedure, as amended, provides that the court shall make every effort to sell the mortgaged property by acquiring sealed bids (*vendita senza incanto*) rather than proceeding by an auction (*vendita con incanto*). Should the bidding procedure not be successful, the mortgaged property shall be sold with an auction.

If the court proceeds with the auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property. The court will then order the sale by auction and, on the basis of the expert's valuation, the court shall determine the minimum bid price for the property at the auction. If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after the deduction of the expenses of the enforcement proceedings and any expenses for the cancellation of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Italian civil code the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years and (ii) the interest accrued at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings, from the court order or injunction of payment to the final sharing out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the duration of the procedure can significantly exceed the average.

***Mutui fondiari* enforcement proceedings**

Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by article 38 (and following) of the Consolidated Banking Act in which several exceptions to

the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of *mutui fondiari* is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, as amended by article 12 of Legislative Decree number 342 of 4 August 1999, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutui fondiari* loan.

Enforcement proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by Royal Decree number 646 of 16 July 1905 which confers on the *mutuo fondiario* lender rights and privileges which are not conferred by the Consolidated Banking Act with respect to enforcement proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has replaced the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert valuation.

With respect to the borrowers, such *mutuo fondiario*'s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the mortgage loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a mortgage loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be sufficient to ensure a loan to value of at least 80% (or, according to an interpretation, the original loan to value, if higher).

Attachment of Debtor's credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary, etc.) or on borrower's movable property which is located on third party premises.

Early redemption of mortgage loans and equitable reduction of prepayment penalties under the ABI - Consumers agreement entered into in accordance with article 7, paragraph 5, of the Bersani Decree and other miscellaneous measures relating to mortgage liens.

Legislative Decree of 13 August 2010, No. 141 (the "**Legislative Decree 141**") has introduced in the Consolidated Banking Act article 120-*ter*, which replicates the provisions of article 7 of the Bersani Decree, now repealed. Article 120-*ter* of the Consolidated Banking Act provides that any contractual clause imposing a prepayment penalty in case of early redemption of mortgage loans is void with respect

to mortgage loan agreements entered into, with an individual as borrower for certain purposes. According to new article 161, paragraph 7-*ter* of the Consolidated Banking Act, the above-mentioned article 120-*ter* is applicable to (i) mortgage loan agreements entered into for the purchase of the primary residence ("*prima casa*"), on or after 2 February 2007 and (ii) mortgage loan agreements entered into for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity, on or after 3 April 2007. With respect to loan agreements entered into prior to 2 February 2007, article 7, paragraph 5 of the Bersani Decree, now repealed by Legislative Decree 141, provided that the Italian banking association ("**ABI**") and the main national consumer associations were entitled to reach, within three months from 2 February 2007, an agreement regarding the equitable renegotiation of prepayment penalties within certain maximum limits calculated on the residual amount of the loans (in each instance, the "**Substitutive Prepayment Penalty**"). Had ABI and the relevant consumer associations failed to reach an agreement, the Bank of Italy would have determined the Substitutive Prepayment Penalty by 2 June 2007.

The agreement reached on 2 May 2007 between ABI and national consumer associations (the "**Prepayment Penalty Agreement**") contains the following main provisions (as described in an ABI press release dated May 2007):

(i) with respect to variable rate loan agreements - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(ii) with respect to fixed rate loan agreements entered into before 1 January 2001 - the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date;

(iii) with respect to fixed rate loan agreements entered into after 31 December 2000 - the Substitutive Prepayment Penalty should be equal to: (a) 1.90 per cent. if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50 per cent. if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20 per cent., in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that:

(a) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001, the amount of the relevant prepayment penalty shall be reduced by 0.20 per cent.;

(b) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25 per cent. if the agreed amount of the prepayment penalty was equal or higher than 1.25 per cent.; or (y) 0.15 per cent., if the agreed amount of the prepayment penalty was lower than 1.25 per cent.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

In relation to the provisions of the Prepayment Penalty Agreement, it is expected that further interpretative and supplemental indications may be issued, the specific impact of which cannot be accurately anticipated at this time.

Notwithstanding the fact that Legislative Decree 141 repealed article 7 of the Bersani Decree, Article 161, paragraph 7-*ter* of the Consolidated Banking Act disposes that with respect to loan agreements entered into prior to 2 February 2007, the provisions provided for under the Prepayment Penalty Agreement continue to be applicable.

Simplified procedures for cancellation of mortgages of *mutui fondiari*

Article 40-*bis* of the Consolidated Banking Act, as amended by Legislative Decree 141 replicates some provisions (now repealed by Legislative Decree 141) of article 13 of the Bersani Decree, and provides for a simplified procedures meant to allow a more prompt cancellation of mortgages securing loans (more precisely, *mutui fondiari* only) granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

Subrogation

Legislative Decree 141 has introduced in the Consolidated Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Bersani Decree, replicating though, with some additions, such repealed provisions. The purpose of article 120 *quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-*quater* of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 days from the date on which the original lender has been

requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

Insolvency proceedings

Under article 1 of the Bankruptcy Law commercial entrepreneurs (companies or individuals) (*imprenditori che esercitano un'attività commerciale*) may be subject to the insolvency proceedings (*procedure concorsuali*) provided for by the Bankruptcy Law being, *inter alia*, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*).

Each commercial entrepreneur is not subject to insolvency proceedings pursuant to the Bankruptcy Law if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) are not higher than Euro 300,000;

(b) its annual gross revenue over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) is not higher than Euro 200,000; and/or

(c) its indebtedness – whether due or not – is in aggregate not higher than Euro 500,000.

Bankruptcy

A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon request of one or more of its creditors or of the public prosecutor) if it is not able to timely and duly fulfil its obligations.

The declaration of bankruptcy issued by the bankruptcy court will provide for, *inter alia*:

- the appointment of a deputy judge (*giudice delegato*) that will supervise the proceeding;
- the appointment of a receiver (*curatore fallimentare*) that will deal with the distribution of the debtor's assets;
- the filing of all the debtor's accounting records and ledgers with the court;
- the establishment of the terms upon which creditors must file their claims.

The court order deprives the debtor of the right to manage its business which is taken over by the court-appointed receiver (*curatore fallimentare*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver (*curatore fallimentare*), and the creditors' claims have been approved, the sale of the borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. In addition, any legal action taken and proceedings already initiated by creditors against the debtor are automatically suspended (the so called "*automatic stay*").

The proceeding is closed by an order of the bankruptcy court. Once the receiver has disposed of all the debtor's assets, but prior to allocating the proceeds, it must submit a final report to the deputy judge on his administration. Finally (after creditors' motions against such final report have been decided) the deputy judge orders the allocation of the net proceeds. Thereafter, creditors may sue the debtor to obtain payment of any unrecovered portion of their claims and of interest thereon. A bankruptcy proceeding may also end with a settlement accepted by the creditors (*concordato fallimentare*).

*Pre-bankruptcy agreement (*concordato preventivo)

The debtor in "state of financial distress" (i.e. state of insolvency and/or financial crisis which may not constitute insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*) on the basis of a recovery plan which may provide for:

(a) the restructuring of debts and the satisfaction of creditors in any manner, even through transfer of debtor's assets, novations or other extraordinary transactions, including the assignement to the creditors of shares, quotas, bonds (also convertible into shares) or other financial instruments and debt securities;

(b) the assignment of the debtor's assets in favour of an assignee (*assuntore*), that can be appointed even among the creditors;

(c) the division of creditors into classes; and

(d) different treatments for creditors belonging to different classes.

It is possible that, according to the proposed plan, creditors with liens or security interests (*pegno* and *ipoteca*) can be partially satisfied provided that their claims would not be satisfied in a higher measure through the sale of their secured assets.

Once the court declares the procedure admissible, from the date of the filing of the debtor's petition and until the order of the court becomes definitive, creditors whose claims have arisen prior to the date of the judicial approval (*decreto di omologazione*) cannot commence or proceed with restraining actions or enforcement proceedings on debtor's assets (the so called "automatic stay").

The pre-bankruptcy agreement (*concordato preventivo*) is approved by creditors representing the majority of the claims admitted to vote. In the event that the proposal provides for the creation of classes of creditors, the pre-bankruptcy agreement is approved when in the majority of classes a favourable vote is obtained from the majority of the claims admitted to vote in each class. Should a creditor belonging to a dissenting class disagree with the proposed agreement, the court may also approve the pre-bankruptcy agreement if it deems that such a creditor would be satisfied in a measure not lower than compared with other practicable solutions.

If the required majorities are not reached, the court declares the proposed pre-bankruptcy agreement inadmissible. In such a case, the court declares the bankruptcy of the debtor only if there is a petition of a creditor or a request of the public prosecutor.

In case of judicial approval (*decreto di omologazione*), the pre-bankruptcy agreement becomes obligatory for all of the debtor's creditors in existence prior to the admission to the pre-bankruptcy agreement procedure.

It must be noted that a relevant innovation to the pre-bankruptcy agreement procedure has been introduced by Law Decree number 83 of 22 June 2012 (as converted into law by Law number 134 of 7 August 2012, the "**Decreto Sviluppo 2012**"). Pursuant to the Decreto Sviluppo 2012, a debtor can file with the competent Court just a simple request for admission to the pre-bankruptcy agreement, provided that it shall file the proposal, the plan and other necessary documents within a term established by the judge and which shall be included between 60 and 120 days from the date of filing of the sole request. The Decreto Sviluppo 2012 has also provided that in the period included between the date of filing of the request and the date of the decree admission to the pre-bankruptcy agreement, the debtor may execute not only acts of ordinary management but also urgent acts of extraordinary management, provided that, in such case, it has been duly authorised by the Court.

Moreover, the Decreto Sviluppo 2012 has also introduced in the Bankruptcy Law a specific provision (article 186-*bis*) regarding the hypothesis in which the pre-bankruptcy agreement may provide for the continuation of the business activity, the sale or transfer of the active business-concern to one or more companies.

*Debt restructuring agreements under Bankruptcy Law (*Accordi di ristrutturazione dei debiti*)*

Pursuant to article 182-*bis* of the Bankruptcy Law, an entrepreneur in state of distress can enter into a debt restructuring agreement with its creditors in the context of a pre-bankruptcy agreement (182-*bis* agreement or *accordo di ristrutturazione dei debiti*).

In order to obtain the court approval (*omologazione*), the entrepreneur must file with the competent court an agreement for the restructuring of debts entered into by creditors representing at least 60 per cent. of the debtor's debts, together with an assessment made by an expert on the feasibility of the agreement, particularly with respect to the regular payments (to be made within (i) 120 days from the Court's approval (*omologazione*) in respect of any receivables due and payable on such a date, and (ii) in respect of any receivables not yet due and payable on the Court's approval date, within 120 days from their respective due date) in favour of creditors who have not entered into such debt restructuring agreement.

From the day the agreement is published in the companies register:

(a) the agreement is effective;

(b) creditors whose claims have arisen prior to such date cannot commence or continue precautionary actions (*azioni cautelari*) or foreclosure proceedings (*azioni esecutive*) on the assets of the debtor for 60 days and cannot obtain any pre-emption rights (except if it was so agreed); and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval (*omologazione*) to the debt restructuring agreement once it has decided on any opposition.

According to the article 182-*bis*, paragraph 6, of the Bankruptcy Law, introduced by Italian law decree number 78 of 31 May 2010, upon request of the entrepreneur, the preventive effects mentioned under paragraph (b) above may also be produced before the entering into of the debt restructuring agreement, provided that the entrepreneur gives evidence of the feasibility of the debt restructuring plan under discussion by filing certain documents with the court. In particular, the entrepreneur shall:

(i) certify that negotiations are pending with creditors representing at least 60 per cent. of the debtor's debts;

(ii) provide an assessment by an expert confirming that the debt restructuring agreement being negotiated by the debtor allows regular payment of the creditors not entering into such agreement.

Recent main changes in Italian bankruptcy, tax and civil procedure law

The Italian Parliament has adopted the Italian Law Decree 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Italian Law 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy, tax and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

(a) the rules governing the deductibility for tax purposes by banks and financial intermediaries of losses and write-off relating to receivables have been amended. Under the new rules both losses deriving from assignment of receivables and losses and write-off of receivables *vis-à-vis* customers (*crediti verso la clientela*) are entirely deductible in the fiscal year in which they are registered in the financial statements of the aforesaid companies. This provision has shortened the timeframe previously provided for deducting losses and write-off of receivables, which was equal to five fiscal years;

(b) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;

(c) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;

(d) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;

(e) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least 40% of non-preferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;

(f) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract; and

(g) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to creditors.

Restructuring arrangements in accordance with Law number 3 of 27 January 2012

Following the enactment of Italian Law number 3 of 27 January 2012 (as amended by Decree of the Italian Government number 179 of 18 October 2012 coordinated with the conversion Italian Law number 221 of 17 December 2012), a debtor who is neither subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors provided that (i) he/she has not been entered into any such restructuring arrangement in the last five years; (ii) the previous restructuring arrangements have not been annulled or revoked for reasons directly or indirectly ascribable to him/her; (iii) he/she has not provided a documentation suitable to reconstruct and figure out his/her patrimonial and economic situation.

Such law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over-indebtedness, being a situation recognisable when the "continuing imbalance between the debtor's obligations and his/her highly liquid assets" determines "the relevant difficulties of performing his/her obligations" or the "definitive non capability of duly performing such obligations".

A debtor in a state of over-indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement providing that, among others, those creditors not adhering to such arrangement and those creditors having security interests over the debtor's assets will be repaid in full.

Such draft arrangement must set out, among others, the revised terms for payments due to the creditors, the security interests which may be created to secure such payments and the conditions for the dismissal of the debtor's assets. If the debtor's assets and income are not sufficient to ensure the implementation of the draft arrangement, the draft arrangement must be endorsed by one or more third-parties who undertake to provide, also by way of security, additional assets or income.

Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those secured creditors not adhering to such arrangement for a period of up to one year since the court's certification ("*omologa*").

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order a hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

In order to be eligible for the court's certification, the agreement must be reached with a number of creditors representing at least 60% of the relevant claims.

Once the draft restructuring arrangement is reached with 60% of claims, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

Upon expiry of such term, the competent body will deliver the relevant report (including any challenge received and a feasibility assessment of the draft restructuring arrangement) to the competent judge who will be entitled, subject to appropriate final verification, to certify (*omologa*) the restructuring arrangement.

Once the restructuring arrangement has been certified, should the debtor be subject to bankruptcy afterwards (indeed, the debtor could become eligible for bankruptcy due to a modification of the size of the enterprise) the payments, agreements and, in general, any deed enacted under the certified restructuring agreement is not subject to claw back.

The competent body will be in charge of supervising the due performance of the obligations arising from the relevant restructuring arrangement. Such arrangement, however, may be terminated or declared null and void in specific circumstances provided for by applicable law.

Recent Amendment to Enforcement and Bankruptcy Proceedings

On June 30, 2016, the Italian Parliament approved Law No. 119 ("**Conversion Law**"), which converts law decree No. 59/2016, published on the Official Gazette No. 102, on May 3, 2016 introducing "*urgent provisions relating to the enforcement and insolvency proceedings, as well as in favour of investors of banks subject to winding up*" ("**Law Decree**"). The Conversion Law has been published on the Official Gazette No. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorisation of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian code of civil procedure;

2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;

- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and the insolvency proceedings system are in any case subject to the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

- to optimize the overall functioning of the judicial offices with a progressive implementation of their computerisation - especially with respect to the enforcement proceedings some case the duty) to perform procedural steps by digital means;

- to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;

- to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to fasten the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for the opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of the pledged assets;

- to increase the instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual entry into functioning of such systems remains unknown.

As described in paragraph "*Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law*" below, certain additional changes to the regime of the bankruptcy proceedings provided under the Bankrupcy Law (as defined below) may apply upon the implementation of the Delegated Legislation No. 155 of 2017 (as defined below).

Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law

On 11 October 2017 the Italian Parliament approved the text of law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganization proceedings in the context of over-indebted corporate entities (the "**Delegated Legislation**").

The Delegated Legislation is the result of a review of the Italian royal decree No. 267 of 16 March 1942 (hereinafter the "**Bankruptcy Law**") conducted by an experts' committee set up in 2015. Such review aims at introducing reform of insolvency legislation that is better suited to the current economic situation and consistent with the indications received from the European legislator.

The Delegated Legislation is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganization methods; in such a context, the declaration of bankruptcy (now defined as "*judicial liquidation*", "*liquidazione giudiziale*") is considered as a last resort alternative in absence of other options that can guarantee continuation of the corporate activity. Please note that it is likely that in the coming months this Delegated Legislation may be amended to correct certain aspects that, according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Delegated Legislation introduces the new "preemptive and assisted reorganisation procedures" further complementing in this way the regulation of the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under Article 182*bis* and certified plans under Article 67(3)(d) of the Bankruptcy law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so - called *extraordinary administration* proceedings has not been included in the scope of the Delegated Legislation and will likely require an *ad hoc* intervention.

The principal envisaged amendments to the current legal framework contained in the Delegated Legislation are as follows.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. Therefore in order to tackle such issues, the Delegated Legislation provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the Delegated Legislation introduces:

(a) a definition of "corporate group" by reference to the criteria of direction and coordination referred to in Articles 2497 et seq. and 2545 *septies* of the Italian Civil Code; such criteria are presumed as met in case within the group there are controlling and controlled entities pursuant to Article 2359 of Italian Civil Code;

(b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under Article 182*bis* of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of "center of main interests" of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.

(c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any "distortion" effects;

(d) subordination of infra-group debt in situations described by Article 2467 of the Italian Civil Code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under Article 182*bis* of Bankruptcy Law;

(e) extension of the receiver's powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, *inter alia*, to report irregularities in the management of the solvent companies of the group (e.g. Article 2409 of the Italian Civil Code) and to request their bankruptcy in the event of insolvency.

Preemptive Proceedings

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis situations, which instead the entrepreneur often tends to deny.

In order to facilitate a prompt detection of the crisis, on one hand the Delegated Legislation requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis situation in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganization proceedings (the "**Preemptive Proceedings**") to induce the distressed company to tackle the crisis early on.

Such regulation however does not apply to listed and large companies on the assumption that, due to their dimension, such entities have adequate resources to detect the crisis and tackle it on an early stage.

The Preemptive Proceedings are based on a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts activated by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings - which are to be conducted in a confidential manner – provide for the following:

1. the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the "**Committee**") in order to receive assistance in finding an agreed solution to the crisis with the creditors within a maximum period of 6 months;

2. qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 months period (such as by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

3. in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee ongoing defaults of a significant amount;

4. in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative entities of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is to be considered in crisis) and, in the event of inadequate or lacking response by these, the Committee;

5. during the proceedings, the debtor may apply to the relevant Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of Article 182 *sexies* the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

6. if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or apply for an in-court composition with creditors), the Committee reports the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

- Incentives:

1. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under Article 182*bis* of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) there will no penalty for bankruptcy by fund distraction crimes and other bankruptcy offences when they have caused minor damage; (b) a mitigating circumstance with special effect for the other crimes and (c) a reduction of interest and penalties on tax debt;

2. for statutory auditors who immediately report to the directors well-grounded indications of a crisis situation and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for the damages resulting from events or omissions following their report;

- Penalties:

for qualified public creditors: loss of their priority in payment over their debt in case of failure to report to the supervisory entities and the Committee the persisting default on obligations of a significant amount by the relevant insolvent debtor.

Debt restructuring agreements pursuant to Article 182bis of Bankruptcy Law and certified plans under Article 67(3)(d) Bankruptcy Law

The amendments introduced by the Delegated Legislation aim to encourage the use of debt restructuring agreements under Article 182*bis* of the Bankruptcy Law (the "**182*bis* Agreements**").

As for the certified plans under Article 67(3)(d) of the Bankruptcy Law (the "**Certified Plans**"), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182*bis* Agreements, the Delegated Legislation provides as follows:

(a) extended application of the cram down: possibility to apply the "cram down" model envisaged in the case of arrangements with banks and financial intermediaries under Article 182*septies* of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may bind all creditors belonging to a certain class to complying with agreements approved by at least 75% of creditors belonging to the relevant class provided that they have been informed of the opening of negotiations and have been enabled to participate to the resolution;

(b) reduction of the required quorum: reduction of the 60% quorum currently required by law for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the their plan as debts become due and (b) does not request protection from enforcement proceedings (see letter c) below);

(c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (today it applies for only 60 days starting from the opening);

(d) extension to members with unlimited liability: extension of the effects of the agreement to members with unlimited liability.

As for the certified plans, the Law merely requires that they be in writing, bear certain date and the content is precisely determined.

Schemes of Arrangement

The Law provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to preserve business continuity and simplification of proceedings. More specifically, the Delegated Legislation provides as follows:

(a) marginalization of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which increases payments in favour of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;

(b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the "private" nature of the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (*Corte di Cassazione a Sezioni Unite*) that will not contribute to the success of the provision);

(c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote; furthermore, the Delegated Legislation calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then "control" and approve the relevant scheme of arrangement proposal;

(d) the definition of a scheme of arrangement in continuity and deferment of privileged claims: it is clarified that a scheme of arrangement in continuity refers to both mixed schemes of arrangements (continuity plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be postponed up to two years, provided that they are granted voting rights;

(e) super senior loans authorized by the court: super senior are confirmed during the proceedings and by way of execution of the plan; super senior loans are no longer permitted;

(f) mandatory classation of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);

(g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

(h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with the powers usually belonging to the creditors' meeting (this power is currently only provided if a competing proposal is accepted);

(i) termination of the scheme arrangement by the receiver: the receiver has the power to require, following the request from a creditor, that the scheme of arrangement be terminated, inter alia, for non-performance (currently, such right is recognised only to creditors);

(j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in the presence of transactions impacting on the organization or financial structure of the company.

Judicial liquidation

Under the Delegated Legislation bankruptcy, is defined as "*judicial liquidation*", and aims at standardizing and simplifying the relevant proceedings which however becomes now residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Among the most important changes there are the following:

(a) *assignment of assets to creditors*: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Delegated Legislation are not very clear on this point); to this end, a body is established which certifies "the reasonable probability of satisfaction of the debts incurred in respect of each proceeding" and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction "in proportion to the probability of satisfaction of their credit"; the provision is presumably aiming at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a "settlement and central counterparty system operator" which it can be presumed will oversee such operations; the relevant proceedings however remain still to be regulated;

(b) *one type of proceedings*: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the sole exclusion of public entities;

(c) *efficiency of the proceedings*: a number of further actions are planned in order to reduce the duration and cost of the procedure and make more effective and transparent the receiver's activity as well as the process of determining the bankruptcy estate's liabilities.

Finally, the Delegated Legislation also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritizing business continuity and ensuring the competitiveness of asset sale auctions;

On 14 February 2019, the Legislative Decree No. 14 of 12 January 2019, enacting the above provisions set out under the Delegated Legislation, has been published in the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain provisions relating to corporate organization and director liabilities that entered into force as of 16 March 2019.

Prospective Noteholders should be aware that, as at the date of this Prospectus, most of the provisions of the Legislative Decree No. 14 of 12 January 2019 amending the Bankruptcy Law have not entered into force and have not been tested in any case law nor specified in any further regulation. Therefore, the Issuer cannot predict their impact as at the date of this Prospectus.

No severe claw-back

The Italian insolvency laws do not contain provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Senior Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following description does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.

This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of the Securitisation Law, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Decree number 239**") and Law Decree No. 66 of 24 April 2014 converted into Law No. 89 of 23 June 2014 ("**Decree 66/2014**"), payments of interest and other proceeds in respect of the Senior Notes:

(i) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Senior Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The *imposta sostitutiva* will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Senior Notes or in the transfer of the Senior Notes;

(ii) will be subject to *imposta sostitutiva* at the rate of 26 per cent. in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Senior Notes are connected;

(iii) will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Senior Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124 of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of February 24, 1998 and Article 14-*bis* of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Senior Notes, to an Italian authorised financial intermediary and have opted for the so-called "*risparmio gestito regime*" according to Article 7 of Legislative Decree No. 461 of 21 November 1997 - the "Asset Management Option" and (iv), non Italian resident with no permanent establishment in Italy to which Senior Notes are effectively connected, provided that:

(a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996, as amended from time to time (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and

(b) the Senior Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("**SIM**") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and

(c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

(d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Senior Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Senior Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Senior Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to an annual substitute tax levied at the rate of 26 per cent. (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Senior Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Senior Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Senior Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Senior Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "IRES"); or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "IRPEF") plus local surtaxes, if applicable; ; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "IRAP").

If the investor is resident in Italy and is an open-ended or closed investment fund, a SICAF or a SICAV ("*Società di investimento a capitale 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 Senior Notes are held by an authorised intermediary, interest accrued during the holding period on the Senior Notes 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**").

Italian resident pension funds are subject to 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal redeemable amount of the Senior Notes and their issue price is deemed to be interest for capital income (*redditi di capitale*) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

2. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Senior Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of the holders of the Senior Notes (and, in certain cases, depending on the status of the holders of the Senior Notes, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by the holders of the Senior Notes who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Senior Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding the Senior Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Senior Notes would be subject to an *imposta sostitutiva* at the rate of 26 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Senior Notes not in connection with an entrepreneurial activity pursuant to all disposals on Senior Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Senior Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Senior Notes (the "***Risparmio Amministrato***" regime). Such separate taxation of capital gains is permitted subject to: (i) the Senior Notes being deposited with Italian banks, società di intermediazione mobiliare (SIM) or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Senior Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the noteholder. Under the *Risparmio Amministrato* regime, where a sale or redemption of the Senior Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime, the noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding the Senior Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the noteholder is not required to report capital gains realised in its annual tax declaration.

Any capital gains realised by an holder of the Senior Notes which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Tax, up to 26 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by the holders of the Senior Notes who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax.

The 26 per cent. imposta sostitutiva may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the Senior Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected, if the Senior Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected, through the sale for consideration or redemption of the Senior Notes are exempt from taxation in Italy to the extent that the Senior Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Senior Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Senior Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Senior Notes with no permanent establishment in Italy to which the Senior Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Senior Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in the Ministerial Decree of 4 September 1996, as amended from time to time (pursuant to Article 1-*bis* of such Ministerial Decree, the Ministry of Economy and Finance holds the right to test the actual compliance of each country included in the list with exchange of information obligation and, in case of reiterated violations, to remove from the list the uncooperative countries), or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph 5, letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Senior Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Senior Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Senior Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Senior Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE

With Legislative Decree 5 August 2015, No. 128, the Italian Government introduced a new definition of "abuse of law or tax avoidance" ("*abuso del diritto o elusione fiscale*") that replaces all definitions and doctrines previously developed by the Italian tax authorities and endorsed by case law. Under the

new definition, abuse of law occurs when one or more transactions, formally compliant with tax law, instead are lacking economic substance and are essentially aimed at obtaining undue tax advantages. There is no abuse of law when a transaction is justified by sound and material non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

4. INHERITANCE AND GIFT TAXES

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

5. TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, during the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). This obligation is also provided for those individuals who are not direct holders ("*possessori diretti*") of foreign investments or foreign financial activities but who are the beneficial owners ("*titolari effettivi*") of such investments or financial activities.

6. STAMP DUTY

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Stamp Duty Law**"), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, and by Law No. 147 of 27 December 2013 introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement

sent to the clients as of 1 January 2012 ("**Statement Duty**"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.2 per cent. (but in any case not exceeding Euro 14,000.00. This cap is not applied to individuals). According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clients, as the Notes are to be characterized for tax purposes as "financial instruments". The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The stamp duty must be levied on:

(i) whoever executes or takes advantage (in Italian known as the "*caso d'uso*") of the document included in the Tariff, as the main obligors (*obbligati in via principale*);

(ii) whoever signs, receives, accepts or negotiates the document included in the Tariff, if the stamp duty has not already been properly paid, as the joint obligors (*obbligati in via solidale*).

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an "*ente gestore*" (managing entity). Such "*ente gestore*", according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer seems not to fall within the list of the obligors, as set forth in the Stamp Duty Law, neither in the definition of "*ente gestore*". However, the lack of an interpretation by the Italian tax authority with respect to securitisation transactions and the broad scope of the Statement Duty could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Undewriter has, pursuant to a subscription agreement entered into on or about the Issue Date between the Issuer, the Undewriter, the Arrangers and the Representative of the Noteholders (the "**Subscription Agreement**"), agreed to subscribe and pay the Issuer for the Notes at their issue price of 100 per cent. of their respective principal amounts upon issue (the "**Issue Price**") and to appoint Securitisation Services S.p.A. to act as the representative of the Noteholders (the "**Representative of the Noteholders**"), subject to the conditions set out therein.

The Conditions

Under the Conditions the obligations of the Issuer to make payments in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, represented and undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession and distributes this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator or the Notes, save as contained in this Prospectus or as approved for such purpose by the Issuer or the Underwriter or which is a matter of public knowledge.

General

The Issuer and the Noteholders (including the Underwriter) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise provided herein, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

Persons into whose hands this Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), the Underwriter represents, warrants and undertakes to the Issuer that with effect from and including the date on which the Prospectus Regulation has entered into force (the "**Prospectus Regulation Date**") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that it may, with effect from and including the Prospectus Regulation Date, make an offer of the Notes to the public in that Relevant 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); or

(c) at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "*Prospectus Regulation*" means Regulation 2017/1129 dated 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

United States of America

1. **No registration under Securities Act**

Each of the Issuer and the Underwriter has understood and agreed that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of a U.S. person even though Regulation S under the Securities Act would permit such offers or sales pursuant to an available exemption from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and the regulations thereunder.

2. **Compliance by the Issuer with United States securities laws**

The Issuer has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Underwriter that neither it nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, to any person any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act or the

qualification of any document related to the Notes as an indenture under the United States Trust Indenture Act of 1939 and, in particular, that:

(a) *No directed selling efforts*: neither it nor any its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes;

(b) *Offering restrictions*: it and its affiliates have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

3. **Underwriter's compliance with United States securities laws**

The Underwriter has, pursuant to the Subscription Agreement, represented and agreed that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. None of the Issuer and the Underwriter, nor their respective Affiliates nor any persons acting on the Issuer and the Underwriter, or its respective Affiliates', behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect.

The Notes covered hereby have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Notes Subscriber, except in either case in accordance with Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

4. **Underwriter's compliance with United States Treasury regulations**

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer:

(i) *Restrictions on offers, etc.*: except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"):

  (f) *No offers, etc. to United States or United States persons*: it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and

  (g) *No delivery of definitive Notes in United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period;

(ii) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly *engaged* in selling

Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6),

and, with respect to each affiliate of the Underwriter that acquires Notes from the Underwriter for the purpose of offering or selling such Notes during the restricted period, the Underwriter undertakes to the Issuer that it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in paragraphs (i), (ii) and (iii) above.

5. **Interpretation**

Terms used in Paragraph 2. and 3. above have the meanings given to them by Regulation S under the Securities Act. Terms used in Paragraph 4. above have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

United Kingdom

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer that:

(c) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Market Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(d) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

No offer to public

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as defined in article 2, letter (e) of the Prospectus Regulation and in accordance with any applicable Italian laws and regulations.

Offer to "qualified investors"

Any offer of the Notes by the Underwriter to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with

the relevant provisions of the Financial Laws Consolidation Act, CONSOB Regulation number 20307 of 15 February 2018, the Consolidated Banking Act and any other applicable laws and regulations.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Financial Law Consolidation Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Financial Law Consolidtion Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Prospectus Regulation and the Financial Laws Consolidation Act.

General compliance

The Underwriter has, pursuant to the Subscription Agreement acknowledged that:

(a) no action has or will be taken by it which would allow an offering (nor a "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations;

(b) the Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by it in accordance with Italian securities, tax and other applicable laws and regulations; and

(c) no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

France

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the Code monétaire et financier and Title I of Book II of the *Règlement Général de l'Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, also represented and agreed in connection with the initial distribution of the Notes by it that:

(a) there has not been and there will be no offer or sale, directly or indirectly, of the Notes by it to the public in the Republic of France (*an offrè au public de titres financiers* as defined in Article L. 411-1 of the French *Code monétaire et financier*);

(b) offers and sales of the Notes in the Republic of France will be made by it in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with Articles L411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in Article L. 411-2 and D. 411-4 of the French *Code monétaire et*

financier acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) as mentioned in Article L. 411-2, L. 533-16 and L. 533-20 of the French *Code monétaire et financier* (together the "**Investors**");

(c) offers and sales of the Notes in the Republic of France will be made by it on the condition that:

(i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors; and

(ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*).

Prohibition of Sales to EEA Retail Investors

The Underwriter has, pursuant to the Subscription Agreement, represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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 2016/97/EC (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 18 November 2019.

(2) Application has been made to list the Senior Notes on the official list of the Luxembourg Stock Exchange and to have the Senior Notes admitted to trading on the Regulated Market on the Issue Date. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request. The Issuer reserves the right to make an application for the Senior Notes to be listed on any other stock exchange and/or admitted to trading on any other regulated market or multilateral trading facility after the Issue Date.

(3) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, significant effects on the financial position or profitability of the Issuer.

(4) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2018 that is material in the context of the issue of the Notes.

(5) Save as disclosed in section entitled "*The Issuer*" above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(6) Since 15 September 2017 (being the date of its incorporation), the Issuer has not commenced operations (other than the activities related to the First Previous Securitisation and the Second Previous Securitisation and the purchasing of the Portfolio, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing). The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan (MI), Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN code	*Common code*
Class A Notes	IT0005390841	208866290

(8) The Issuer's LEI number is 815600713B74D1CCD334.

(9) Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

As to pre-pricing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement:

(a) the Originator, as initial holder of the Notes, has confirmed that it has been, before pricing, in possession of (i) data relating to each Mortgage Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation, including data on the environmental performance of the Real Estate Assets (if available)) and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation, (ii) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (iii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria; and

(b) in case of transfer of any Notes by ISP to third party investors after the Issue Date, the Originator has undertaken to make available to such investors before pricing:

(A) through the Data Repository appointed by the Reporting Entity or, if the Data Repository has not been appointed by the Reporting Entity, on the Temporary Website, the information under point (a) of the first subparagraph of article 7(1) (including data on the environmental performance of the Real Estate Assets (if available)) upon request and the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation; and

(B) on the website of European DataWarehouse GMBH (being, as at the date of this Prospectus, https://editor.eurodw.eu) or, if different from European DataWarehouse GMBH, through the Data Repository appointed by the Reporting Entity, (i) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data shall cover a period of at least 5 (five) years, pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to post-closing disclosure requirements set out under articles 7 and 22 of the Securitisation Regulation, under the Intercreditor Agreement, the relevant Parties have acknowledged and agreed as follows:

(a) pursuant to the Servicing Agreement, the Servicer will prepare the Loan by Loan Report (which includes information set out under point (a) of the first subparagraph of article 7(1)

and article 22(4) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Loan by Loan Report (simultaneously with the Investors Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(b) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will prepare the Investors Report (which includes information set out under point (e) of the first subparagraph of article 7(1) of the Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity to make available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, the Investors Report (simultaneously with the Loan by Loan Report and the Inside Information and Significative Event Report) by no later than one month after each Payment Date;

(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Originator (also in its capacity as Reporting Entity) will prepare the Inside Information and Significative Event Report (which includes information set out under point (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation) and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository (simultaneously with the Loan by Loan Report and the Investors Report) by no later than one month after each Payment Date; it being understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation has been notified to the Originator or the Originator is in any case aware of any such information, the Originator shall promptly prepare the Inside Information and Significative Event Report and make it available to the entities referred to under article 7(1) of the Securitisation Regulation by means of the Temporary Website or the Data Repository, as the case may be, without undue delay; and

(d) the Issuer will deliver to the Reporting Entity (i) a copy of the final Prospectus and the other final Transaction Documents in a timely manner in order for the Reporting Entity to make available such documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and (ii) any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation and the applicable Regulatory Technical Standards in a timely manner (to the extent not already in its possession),

in each case in accordance with the requirements provided by the Securitisation Regulation and the applicable Regulatory Technical Standards (for further details, see the sections headed "*Description of the Transaction Documents – The Servicing Agreement*", "*Description of the Transaction Documents – The Cash Allocation, Management and Payments Agreement*" and "*Description of the Transaction Documents – The Intercreditor Agreement*").

(10) As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Prospectus at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy, and (iii) the Paying Agent, being, as at the Issue Date, Via Verdi n. 8, 20121 Milan (MI), Italy and also on the Temporary Website (being, as at the date of this Prospectus, https://editor.eurodw.eu) and/or the Data Repository (if appointed) within 15 days

from the Issuer Date at any time after the Issue Date and for the term of this Prospectus (being 12 months from the Issue Date):

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the financial statements of the Issuer as at 31 December 2017 and 31 December 2018 and approved from time to time;

(iii) the following agreements:

- Receivables Purchase Agreement;
- Servicing Agreement;
- Warranty and Indemnity Agreement;
- Intercreditor Agreement;
- Cash Allocation, Management and Payments Agreement;
- Subordinated Loan Agreement;
- Mandate Agreement;
- Second Agreement for the Extension of the Quotaholders' Agreement (to which (i) the First Agreement for the Extension of the Quotaholders' Agreement executed in the context of the Second Previous Securitisation is attached, and (ii) the Quotaholders' Agreement executed in the context of the First Previous Securitisation is attached); and
- Second Agreement for the Extension of the Corporate and Administrative Services Agreement (to which (i) the First Agreement for the Extension of the Corporate and Administrative Services Agreement executed in the context of the Second Previous Securitisation is attached, and (ii) the Corporate and Administrative Services Agreement executed in the context of the First Previous Securitisation is attached); and
- this Prospectus.

This Prospectus will be also available on the Luxembourg Stock Exchange's website www.bourse.lu (for the avoidance of doubt, such website does not constitute part of this Prospectus) for at least 10 years after the Issue Date.

As soon as the Data Repository is appointed, the documents listed above will be made available also on such Data Repository. Provided that after 12 months from the Issue Date such documents can be made available only on the Data Repository (if appointed).

(11) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 385,000 (excluding fees due to the Servicer and auditors appointed for the Issuer's balance sheet and Quarterly Servicer's Report audit).

(12) The total expenses payable in connection with the admission of the Senior Notes to trading on the Regulated Market amount to approximately Euro 20,000 and will be borne by Intesa Sanpaolo S.p.A.

(13) So far as the Issuer is aware, there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Notes that are material to the issue of the Notes.

(14) The Notes will be issued at the Issue Price of 100% of the aggregate principal amount of the Notes as at the Issue Date; consequently, the yield on the Notes will be represented by the interest accruing thereon as specified in Condition 7 (*Interest*).

(15) Even though it is expected that the Securitisation will be, after the Issue Date, included in the list published by ESMA referred to in article 27, paragraph 5, of the Securitisation Regulation, the STS status of a transaction is not static and investors should verify the current status of the transaction on ESMA's website.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited financial statements of the Issuer for the financial years ended on 31 December 2017 and 31 December 2018, together in each case with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Luxembourg Stock Exchange. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents deemed to be incorporated by reference in this Prospectus may be obtained (without charge), during usual office hours on any weekday, from the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Paying Agent.

Copies of documents deemed to be incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu (for the avoidance of doubt, such websites does not constitute part of this Prospectus).

The table below sets out the relevant page references and hyperlinks for the financial statements of the Issuer for the financial years ended on 31 December 2017 and on 31 December 2018, respectively, together in each case with the audit report thereon. Information contained in the documents incorporated by reference other than information listed in the table below is not incorporated by reference as it is either not relevant for investors or covered elsewhere in the Prospectus.

The hyperlinks included in the table below will be functional for at least 10 years after the date of this Prospectus in compliance with article 21(7) of the Prospectus Regulation and the information contained in the documents incorporated by reference are accessible in compliance with article 21(3) of the Prospectus Regulation.

Documents	**Information contained**	**Page**	**Hyperlink**
Financial statements as at 31 December 2017	Report on the audit of the Financial Statements	2-5 **(**of PDF document**)**	https://www.securitisation-services.com/it/files/Brera%20Sec%20S.r.l.%20-%20Financial%20statements%20for%202017.pdf
	Financial Statements	14	
	Statement of Financial Position	15	
	Income statement	17	
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	Statement of changes in equity	19	
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	Notes to the financial statements	21-49	
Financial statements as at 31 December 2018	Report on the audit of the Financial Statements	2-5 **(**of PDF document**)**	https://www.securitisation-services.com/it/files/Brera%20Sec%20S.r.l.%20-%20Financial%20staments%20for%202018.pdf
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