**BANCA MONTE DEI PASCHI DI SIENA S.P.A.**

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

**€20,000,000,000 Covered Bond Programme**

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

**MPS COVERED BOND 2 S.R.L.**

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

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

Under this €20,000,000,000 covered bond programme (the "**Programme**"), Banca Monte dei Paschi di Siena S.p.A. ("**BMPS**" or the "**Issuer**" or the "**Bank**" or the "**Main Seller**") may from time to time issue covered bonds (*obbligazioni bancarie garantite*) (the "**Covered Bonds**") denominated in any currency agreed between the Issuer and the relevant Dealer(s), in accordance with Title I-bis of Italian law No. 130 of 30 April 1999 (as amended from time to time, "**Law 130**") which has implemented Directive (EU) 2019/2162 of 29 November 2019 establishing a common framework for covered bonds and the supervisory guidelines of the Bank of Italy set out in Part III, Chapter 3 of the "*Disposizioni di vigilanza per le banche*" (Circolare No. 285 of 17 December 2013) (as amended and supplemented from time to time, including on 30 March 2023, the "**Bank of Italy Regulations**"). The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €20,000,000,000 (or its equivalent in other currencies calculated as described herein). The Covered Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up of the Issuer, any funds realised and payable to the Bondholders will be collected by the Guarantor on their behalf provided that, pursuant to article 7-*quaterdecies* of Law 130, further to enforcement of the Guarantee, the Bondholders shall participate in the final distribution of the Issuer's assets in respect of any residual amount due to them with any other unsecured creditor including – pursuant to article 7-*quaterdecies* of Law 130 – any derivative transaction counterparty. MPS Covered Bond 2 S.r.l. (the "**Guarantor**") has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee (the "**Guarantee**") which is collateralised by a pool of assets (the "**Cover Pool**") made up of Mortgage Loans assigned and to be assigned to the Guarantor by the Main Seller and, upon accession to the Programme, the Additional Seller(s), and of other Eligible Assets. Recourse against the Guarantor under the Guarantee is limited to the Cover Pool.

This Base Prospectus does not constitute a prospectus with regard to the Issuer and the Covered Bonds for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") or under the Prospectus Regulation as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") (the "**UK Prospectus Regulation**").

This Base Prospectus is drawn up also for the purposes of, *inter alia*, obtaining, where the relevant Final Terms states so, the admission to trading of the Covered Bonds on the EuroTLX Market ("**EuroTLX**"), which is a multilateral system for the purposes of the Market and Financial Instruments Directive

(Directive 2014/65/EC (the "**MIFID II**")), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). However, Covered Bonds may be issued pursuant to the Programme which will be unlisted or be admitted to listing, trading and/or quotation by such other competent authority, stock exchange or quotation system as the Issuer and the relevant Dealer(s) may agree.

**This Base Prospectus is neither subject to any approval or authorisation of CONSOB or Borsa Italiana S.p.A., nor to any disclosure duties in the Republic of Italy, other than those provided for by Italian Law.**

**An investment in Covered Bonds issued under the Programme involves certain risks. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Covered Bonds and the section entitled "*Banca Monte dei Paschi di Siena S.p.A.*".**

From their relevant issue dates, the Covered Bonds will be issued in bearer and dematerialised form or in any other form as set out in the relevant Final Terms. The Covered Bonds issued in bearer and dematerialised form will be held on behalf of their ultimate owners by Euronext Securities Milan ("**Euronext Securities Milan**") for the account of the relevant Euronext Securities Milan account holders. Euronext Securities Milan may also act as depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream**"). The Covered Bonds issued in bearer and dematerialised form will at all times be evidenced by book-entries in accordance with the provisions of the Financial Laws Consolidation Act and with the joint regulation of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Covered Bonds issued in bearer and dematerialised form.

The Covered Bonds of each Series or Tranche will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 9 (*Redemption and Purchase*)). Unless previously redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms, the Covered Bonds of each Series or Tranche will be redeemed at their Final Redemption Amount on the relevant Maturity Date (or, as applicable, the Extended Maturity Date), subject as provided in the relevant Final Terms.

As at the date of this Base Prospectus, payments of interest and other proceeds in respect of the Covered Bonds may be subject to withholding or deduction for or on account of Italian substitute tax, in accordance with Italian Legislative Decree No. 239 of 1 April 1996 (the "**Decree No. 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 any Series or Tranche of Covered Bonds, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Covered Bonds any Series or Tranche. For further details see the section entitled "*Taxation*".

Each Series or Tranche of Covered Bonds may or may not be assigned a rating by one or more rating agencies.

Each Series or Tranche of Covered Bonds issued under the Programme, if rated, is expected to be assigned the rating stated in the applicable Final Terms, by DBRS Ratings GmbH ("**Morningstar DBRS**" or the "**Rating Agency**"). Morningstar DBRS is established in the EEA and is registered under Regulation (EU) No 1060/2009, on credit rating agencies (the "**EU CRA Regulation**"). Please refer to the ESMA webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs in order to consult the updated list of registered credit rating agencies. Any websites included in this Base Prospectus are for information purposes only and do not form part of this Base Prospectus.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by any rating agencies and each rating shall be evaluated independently of any other. The Covered Bonds issued under the Programme may also not be assigned a rating.

Whether or not each credit rating applied for in relation to relevant Series of Covered Bonds will be (1) issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies as amended from time to time (the "**EU CRA Regulation**") or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the United Kingdom ("**UK**") and registered under Regulation (EC) No. 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (the "**UK CRA Regulation**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union but endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (the "**ESMA**") is obliged to maintain on its website, https://www.esma.europa.eu/page/List-registered-and-certified-CRAs, a list of credit rating agencies registered and certified in accordance with the EU CRA Regulation. The Financial Conduct Authority (the "**FCA**") is obliged to maintain on its website, https://www.fca.org.uk/firms/credit-rating-agencies, a list of credit rating agencies registered and certified in accordance with the UK CRA Regulation.

Interest amounts payable under Floating Rate Covered Bonds may be calculated by reference to euro interbank offered rate ("**EURIBOR**") or such other reference rate, as specified in the relevant Final Terms. At the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the register of administrators maintained by the European Securities and Markets Authority ("**ESMA**") under article 36 of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**").

*Initial Dealers of the Programme*

**BANCA FINANZIARIA INTERNAZIONALE S.P.A.**

**MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.P.A.**

The date of this Base Prospectus is 29 May 2026.

## RESPONSIBILITY STATEMENT

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

*This Base Prospectus does not constitute a prospectus with regard to the Issuer and the Covered Bonds for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**") or under the Prospectus Regulation as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") in respect of the UK (the "**UK Prospectus Regulation**").*

*This Base Prospectus is to be read and construed in conjunction with any supplements hereto, with all documents which are incorporated herein by reference and, in relation to any Series or Tranche of Covered Bonds (as defined herein), with the relevant Final Terms (as defined herein).*

*Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.*

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

*No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Representative of the Bondholders or the Initial Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

***PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

***PRIIPs / IMPORTANT – UK RETAIL INVESTORS –*** *The Covered Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 2014/600 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulation 2024.*

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

*A determination will be made at the time of issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither any Dealer nor any of its respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.*

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

*A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither any Dealer nor any of its respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.*

***This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Initial Dealers to subscribe for, or purchase, any Covered Bonds.***

*The distribution of this Base Prospectus and the offering or sale of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Guarantor and the Initial Dealers to inform themselves about and to observe any such restriction. The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Covered Bonds may not be offered, sold or delivered within the United States or to US persons. There are further restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the European Union, including the Republic of Italy, in Japan and in the United Kingdom. For a description*

*of certain restrictions on offers and sales of Covered Bonds and on distribution of this Base Prospectus, see the Section "Subscription and Sale".*

*The Initial Dealers have not separately verified the information contained in this Base Prospectus. The Initial Dealers make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Representative of the Bondholders or the Initial Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Covered Bonds should be based upon such investigations as it deems necessary. None of the Initial Dealers or the Representative of the Bondholders undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Dealers or the Representative of the Bondholders.*

*In this Base Prospectus, unless otherwise specified or unless the context otherwise requires, all references to "£" or "Sterling" are to the currency of the United Kingdom, "Dollars" are to the currency of the United States of America and all references to "€", "euro" and "Euro" are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended from time to time.*

*For the avoidance of doubt, the content of any website referred to in this Base Prospectus does not form part of the Base Prospectus.*

*Figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same item of information may vary, and figures which are totals may not be the arithmetical aggregate of their components.*

*In connection with any Series or Tranche of Covered Bonds, the Dealer(s) may act as a stabilising manager (the "**Stabilising Manager**"). The identity of the Stabilising Manager will be disclosed in the relevant Final Terms. References in the next paragraph to "the issue" of any Series or Tranche of Covered Bonds are to each Series or Tranche of Covered Bonds in relation to which any Stabilising Manager is appointed.*

*In connection with the issue of any Series or Tranche of Covered Bonds, the Dealer(s) or the Manager(s) (if any) named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there can be no assurance that the Stabilising Manager(s) (or any person acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Series or Tranche of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series or Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Series or Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.*

*Covered Bonds to be issued under the Programme as from the date of this Base Prospectus, are intended to be eligible for the "European Covered Bond (Premium)" label as set out under article 7-viciesbis of Law 130, provided that they comply with Law 130, the Bank of Italy Regulations and article*

*129 of the CRR. However, no representation is made or assurance given that any Covered Bonds issued under the Programme will be and will remain allowed to use the "European Covered Bond (Premium)" label until their maturity. Whether the Covered Bonds are intended to benefit, benefit or do not benefit from the "European Covered Bond (Premium)" label will be specified in the relevant Final Terms.*

## CONTENTS

**Section** **Page**

## SUPPLEMENTS, FINAL TERMS AND FURTHER PROSPECTUSES

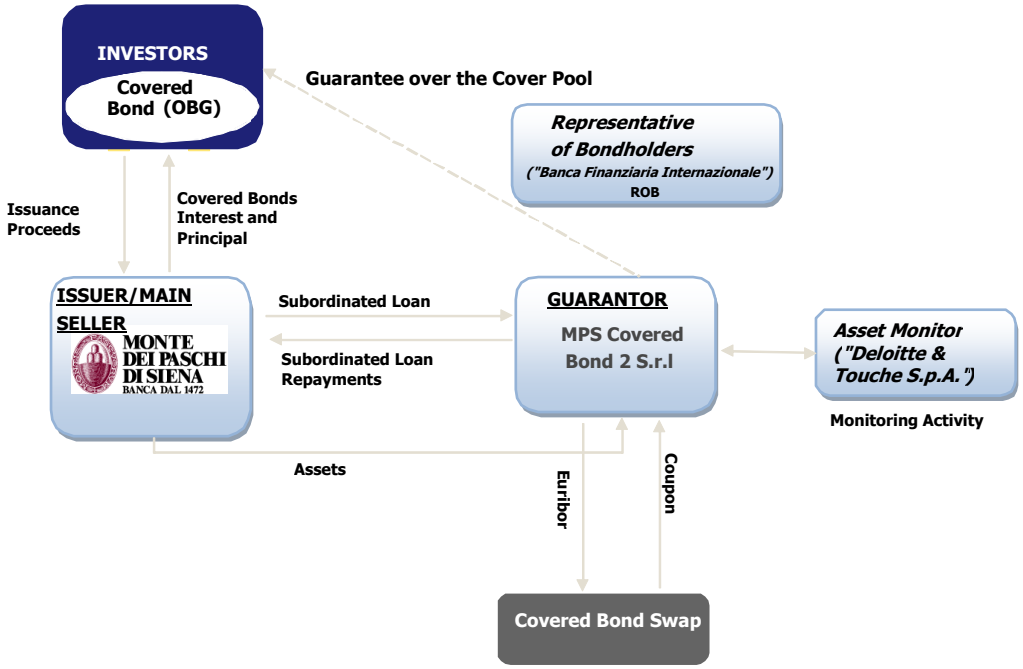
The Issuer and the Guarantor may agree with the Dealer(s) to issue Covered Bonds in a form not contemplated in the section entitled "*Form of Final Terms*". To the extent that the information relating to that Series or Tranche of Covered Bonds constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Series or Tranche ("**Drawdown Prospectus**") will be made available and will contain such information.

The terms and conditions applicable to any particular Series or Tranche of Covered Bonds will be the conditions set out in the section entitled "*Terms and Conditions of the Covered Bonds*", as completed in the relevant Final Terms or amended and/or replaced to the extent described in the Drawdown Prospectus. In the case of a Series or Tranche of Covered Bonds which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

## OVERVIEW OF THE PROGRAMME

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

### STRUCTURE DIAGRAM



## 1. PRINCIPAL PARTIES

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| **Issuer, Main Seller, Main Servicer, Main Subordinated Lender, Principal Paying Agent, Italian Account Bank, Test Calculation Agent, Cash Manager and Quotaholder** | **BANCA MONTE DEI PASCHI DI SIENA 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 Salimbeni, 3, 53100, Siena, Italy, fiscal code and enrolment with the companies register of Siena number 00884060526, registered under number 5274 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act ("**BMPS**"). |
| **Guarantor** | **MPS COVERED BOND 2 S.R.L.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* pursuant to Title 1-*bis* of the Law 130, having its registered office at Via V. Alfieri 1, 31015 – Conegliano (TV), Italy, quota capital of Euro 10,000.00 fully paid up, fiscal code and enrolment with the companies register of Treviso-Belluno No. 04508680263, part of the Monte dei Paschi Group and subject to direction and coordination activities (*soggetta all'attività di direzione e coordinamento*) of BMPS. |
| **Additional Seller(s)** | Any other bank which is a member of the Monte dei Paschi Group and wishes to sell Eligible Assets to the Guarantor in the context of the Programme, subject to satisfaction of certain conditions and which, for such purpose, shall accede to, *inter alia*, the Master Assets Purchase Agreement and the Cover Pool Management Agreement. |
| **Additional Servicer(s)** | Any Additional Seller that, subject to satisfaction of certain conditions, wishes to act as Additional Servicer for the administration, management and collection activities relating to the Eligible Assets from time to time assigned by it to the Guarantor and which, for such purpose, shall accede to the Master Servicing Agreement. |
| **Back-up Servicer Facilitator** | Any eligible counterparty appointed upon downgrading of the Servicer below a DBRS Long Term Critical Obligations Rating (COR) of "**BBB** (**low**)" by Morningstar DBRS pursuant to the Master Servicing Agreement. |
| **Back-up Servicer** | Any eligible counterparty appointed upon downgrading of the Servicer below a DBRS Long Term Critical Obligations Rating (COR) of "**BB** (**high**)" by Morningstar DBRS pursuant to the Master Servicing Agreement. |
| **Additional Subordinated Lender** | Any Additional Seller that has acceded to the Programme as Additional Seller will also act as Additional Subordinated Lender in respect of the Assets transferred by itself to the Guarantor and, for such purpose, shall enter into a Subordinated Loan Agreement with the Guarantor. |
| **Guarantor Calculation** | **BANCA FINANZIARIA INTERNAZIONALE S.P.A.** ("**Finint**"), a bank |

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| **Agent, Guarantor Corporate Servicer and Representative of the Bondholders** | incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), having its registered office at Via V. Alfieri 1, 31015 Conegliano (TV), Italy, share capital of Euro 91,743,007.00 fully paid up, tax code and registered in the Register of Enterprises (*Registro delle imprese*) of Treviso – Belluno under number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." – VAT number 04977190265, registered with the Register of the Banks (*Albo delle Banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act (*Testo unico bancario*) under number 5580 and in the Register of Banking Groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the National Interbank Deposit Guarantee Fund (*Fondo Interbancario di Tutela dei Depositi*) and of the National Compensation Fund (*Fondo Nazionale di Garanzia*). |
| **Asset Monitor** | **DELOITTE & TOUCHE S.P.A.**, a company incorporated under the laws of the Republic of Italy, with registered office at Via Santa Sofia 28, 20122 Milan, Italy, with Fiscal Code, VAT number and registration number with the Register of Enterprises of Milan No. 03049560166, registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by the Minister of Economy and Finance with registration number 132587. |
| **Additional Account Bank** | **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, MILAN BRANCH**, a company incorporated under the laws of France as *a société anonyme*, having its registered office at 12, place des Etats-Unis, CS 70052, 92547 Montrouge Cedex (France), enrolment with the companies register of Nanterre (*Registre Commerciale et des Sociétés de Nanterre*) under no. Siren 304 187 701, acting through its Milan branch, located in Piazza Cavour 2, 20121 Milan, Italy, registered with the register of banks held by the Bank of Italy under number 5276, acting in its capacities as additional account bank. |
| **Quotaholders** | **BMPS** and<br><br>**SVM SECURITISATION VEHICLES MANAGEMENT S.R.L.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata*, quota capital of Euro 30,000 fully paid up, having its registered office at Via Vittorio Alfieri, 1 – 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso-Belluno number 03546650262. |
| **Initial Dealers** | **Finint** and<br><br>**Mediobanca – Banca di Credito Finanziario S.p.A.,** a bank incorporated under the laws of the Republic of Italy as *a società per azioni*, having its registered office at Piazzetta Enrico Cuccia, 1, 20121, Milan, Italy, fiscal code and enrolment with the companies register of Milano-Monza-Brianza-Lodi number 00714490158, registered under number 4753 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking |

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| | Act, subject to the direction and coordination of Banca Monte dei Paschi di Siena S.p.A. and part of the Monte dei Paschi di Siena banking group under registration no. 1030. |
| **Dealer(s)** | The Initial Dealers and any other Dealer(s) appointed in accordance with the Programme Agreement. |
| **Rating Agency** | Morningstar DBRS |

## 2. THE PROGRAMME

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| **Programme description** | Under the terms of the Programme, the Issuer has issued and will issue Covered Bonds (*Obbligazioni Bancarie Garantite*) to Bondholders on each Issue Date. The Covered Bonds will be direct, unsubordinated, unsecured and unconditional obligations of the Issuer guaranteed by the Guarantor under the Guarantee. |
| **Programme Limit** | The aggregate nominal amount of the Covered Bonds at any time outstanding will not exceed Euro 20,000,000,000 (or its equivalent in other currencies to be calculated as described in the Programme Agreement subject to any increase thereof). The Issuer may however increase the aggregate nominal amount of the Programme in accordance with the Programme Documents. |

## 3. THE COVERED BONDS

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| **Form of Covered Bonds** | Unless otherwise specified in the Terms and Conditions and the relevant Final Terms, the Covered Bonds will be issued in bearer and dematerialised form and held on behalf of their ultimate owners by Euronext Securities Milan for the account of Euronext Securities Milan Account Holders and title thereto will be evidenced by book entries. Euronext Securities Milan may also act as depository for Euroclear and Clearstream. No physical document of title will be issued in respect of any such bearer and dematerialised Covered Bonds. |
| **Denomination of Covered Bonds** | The Covered Bonds will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| **Status of the Covered Bonds** | The Covered Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the Bondholders will be collected by the Guarantor on their behalf, provided that, pursuant to article 7-*quaterdecies* of Law 130, further to enforcement of the |

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| | Guarantee, the Bondholders shall participate in the final distribution of the Issuer's assets in respect of any residual amount due to them with any other unsecured creditor including – pursuant to article 7-*quaterdecies* of Law 130 – any derivative transaction counterparty. |
| **Specified Currency** | Subject to any applicable legal or regulatory restrictions or central bank requirements, each Series or Tranche of Covered Bonds will be issued in such currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s) and the Principal Paying Agent subject to compliance with all applicable legal, regulatory and/or central bank requirements. |
| **Maturities** | The Covered Bonds will have such Maturity Date as may be agreed between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by any relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. |
| **Redemption** | The applicable Final Terms relating to each Series or Tranche of Covered Bonds will indicate either that the Covered Bonds of such Series or Tranche of Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified instalments if applicable, or for taxation reasons or if it becomes unlawful for any Covered Bond to remain outstanding or following a Guarantor Event of Default) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Bondholders on a date or dates specified prior to the specified Maturity Date and at a price and on other terms as may be agreed between the Issuer and the Dealer(s) as set out in the applicable Final Terms.<br><br>The applicable Final Terms may provide that the Covered Bonds may be redeemable in two or more instalments for such amounts and on the dates indicated in the Final Terms. For further details, see Condition 9 (*Redemption and purchase*). |
| **Redemption at the option of Bondholders** | If the relevant Final Terms of the Covered Bonds provide for a put option to be exercised by the Bondholders prior to an Issuer Event of Default, the Issuer shall, at the option of any Bondholder, redeem such Covered Bonds held by it on the date which is specified in the relevant put option notice at a price (including any interest (if any) accrued to such date) and on other terms as may specified in, and determined in accordance with, the relevant Final Terms. |
| **Extended Maturity Date** | The applicable Final Terms relating to each Series or Tranche of Covered Bonds issued may indicate, in the interest of the Guarantor, that the Guarantor's obligations under the Guarantee to pay Guaranteed Amounts equal to the Final Redemption |

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| | Amount of the applicable Series or Tranche of Covered Bonds on their Maturity Date may be deferred until the Extended Maturity Date up to the Long Due for Payment Date. The deferral will occur automatically if an Issuer Default Notice has been delivered, having the Issuer failed to pay the Final Redemption Amount on the Maturity Date for such Series or Tranche of Covered Bonds and if the Guarantor does not pay the final redemption amount in respect of the relevant Series or Tranche of Covered Bonds (for example, because the Guarantor has insufficient funds) by the Extension Determination Date.<br><br>Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date, provided that, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date shall be paid, in accordance with the applicable Priority of Payments, by the Guarantor on any Interest Payment Date thereafter according to the relevant Final Terms, up to (and including) the relevant Extended Maturity Date.<br><br>Interest will continue to accrue and be payable on the unpaid amount at a floating rate as shall be indicated in the relevant Final Terms up to the Extended Maturity Date, subject to and in accordance with the provisions of the relevant Final Terms.<br><br>The Extended Maturity Date, up to the Long Due for Payment Date, if applicable in respect of a Series of Covered Bonds will be specified in the relevant Final Terms.<br><br>Where an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds and applied, failure to pay on the Maturity Date by the Guarantor shall not constitute a Guarantor Event of Default.<br><br>The Issuer shall notify the Bank of Italy of the deferral until the Extended Maturity Date in accordance with the terms of the Bank of Italy Regulations.<br><br>For further details, see Condition 9 (*Redemption and Purchase*). |
| **Issue Price** | Covered Bonds may be issued at par or at a premium or discount to par (as set out in the relevant Final Terms). |
| **Interest** | Covered Bonds may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche. Covered Bonds may also have a maximum rate of interest, a minimum rate of interest or both (as indicated in the applicable Final Terms). Interest on Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, in each case as may be agreed between the Issuer and the relevant |

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| | Dealer(s). |
| **Fixed Rate Covered Bonds** | Fixed Rate Covered Bonds will bear interest at a fixed rate, which will be payable on the date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms). |
| **Floating Rate Covered Bonds** | Floating Rate Covered Bonds will bear interest at a rate determined:<br>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or<br>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or<br>(c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),<br>in each case, as set out in the applicable Final Terms.<br>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds, as set out in the applicable Final Terms. |
| **Zero Coupon Covered Bonds** | Zero Coupon Covered Bonds, bearing no interest, may be offered and sold at a discount to their nominal amount, as specified in the applicable Final Terms. |
| **Amortising Covered Bonds** | Covered Bonds may be issued with a predefined, prescheduled amortisation schedule where, in addition to interest, the Issuer will pay, on each relevant Interest Payment Date, a portion of principal up to the relevant Maturity Date (as set out in the applicable Final Terms) in instalments. |
| **Taxation** | All payments in relation to Covered Bonds will be made without tax deduction or withholding except where required by law. If any tax deduction or withholding is made, the Issuer shall be required to pay additional amounts in respect of the amounts so deducted or withheld, subject to a number of exceptions, including deductions on account of Italian substitute tax pursuant to Decree No. 239.<br>Under the Guarantee, the Guarantor will not be liable to pay any such additional amounts to any Bondholders in respect of the amount of such withholding or deduction.<br>For further details, see Condition 11 (*Taxation*). |
| **Cross default provisions** | Each Series or Tranche of Covered Bonds will cross-accelerate as |

against each other Series or Tranches, but will not otherwise contain a cross default provision. Accordingly, neither an event of default under any other indebtedness of the Issuer (including other debt securities of the Issuer) nor any acceleration of such indebtedness will itself give rise to an Issuer Event of Default (except where such events constitute an Insolvency Event in respect of the Issuer).

In addition, an Issuer Event of Default will not automatically give rise to a Guarantor Event of Default, provided however that, where a Guarantor Event of Default occurs and the Representative of the Bondholders serves a Guarantor Default Notice upon the Guarantor, such Guarantor Default Notice will accelerate each Series or Tranche of outstanding Covered Bonds issued under the Programme.

For further details, see Condition 12 (*Segregation Event and Events of Default*).

**Issue Rating**

Each Series or Tranche of Covered Bonds may or may not be assigned a rating by one or more rating agencies. Each Series or Tranche of Covered Bonds, if rated, is expected to be assigned a rating on the relevant Issue Date as stated in the applicable Final Terms. The issuance of any Series or Tranche of Covered Bonds (including any unrated Covered Bonds) shall be subject to prior notice to the Rating Agency.

**Governing Law**

The Covered Bonds, the related Programme Documents and any non-contractual obligations arising out thereof will be governed by Italian law, except for any Swap Agreement and the Deed of Charge (if any) which will be governed by English law.

## 4. BREACH OF THE TESTS, SEGREGATION EVENTS, ISSUER EVENTS OF DEFAULT AND GUARANTOR EVENTS OF DEFAULT

**Breach of Mandatory Tests and/or Asset Coverage Test**

If any Test Performance Report specifies the breach of any of the Tests, then, within the Test Grace Period, the Main Seller (and/or, if any, any Additional Seller(s)) will either (i) sell additional Eligible Assets to the Guarantor for an amount sufficient to allow the relevant Test(s) to be met on the Test Calculation Date falling at the end of the Test Grace Period, in accordance with the Master Assets Purchase Agreement and the Cover Pool Management Agreement, also to be financed through the proceeds of Term Loans to be granted by the Main Seller (and/or any Additional Seller(s), if any), or (ii) substitute any relevant assets in respect of which the right of repurchase can be exercised under the terms of the Master Assets Purchase Agreement with new Eligible Assets, for an amount sufficient to allow the relevant Test(s) to be met on the Test Calculation Date falling at the end of the Test Grace Period (it being understood that, in case of breach of the Liquidity Reserve Requirement, the relevant asset(s) can be replaced only

with Liquidity Assets until such breach is remedied).

If, within the Test Grace Period, the breach of the relevant Mandatory Test(s) or Asset Coverage Test is not remedied in accordance with the terms of the Cover Pool Management Agreement, the Representative of the Bondholders will deliver a Breach of Tests Notice and a Segregation Event will occur.

If, after the delivery of a Breach of Tests Notice, the breach of the relevant Mandatory Test(s) or Asset Coverage Test is not remedied within the Test Remedy Period, an Issuer Event of Default will occur and the Representative of the Bondholders will deliver an Issuer Default Notice to the Issuer and the Guarantor.

If, after the delivery of a Breach of Tests Notice, but prior to the delivery of an Issuer Default Notice, the relevant Mandatory Test(s) or Asset Coverage Test is/are newly met at the end of the Test Remedy Period according to the information included in the relevant Test Performance Report (unless any other Segregation Event has occurred and is outstanding and without prejudice to the obligation of the Representative of the Bondholders to deliver a subsequent Breach of Tests Notice at any time thereafter to the extent a further Segregation Event occurs), the Representative of the Bondholders will deliver to the Issuer and the Guarantor a Breach of Tests Cure Notice, informing such parties that the Breach of Tests Notice then outstanding has been revoked.

**Breach of Amortisation Test**

If, after the delivery of an Issuer Default Notice (provided that, should such Issuer Default Notice consists of an Article 74 Event, an Article 74 Event Cure Notice has not been served), a breach of the Amortisation Test occurs, a Guarantor Event of Default will occur and the Representative of the Bondholders will deliver a Guarantor Default Notice (unless the Representative of the Bondholders, having exercised its discretion, resolves otherwise or a Programme Resolution of the Bondholders is passed resolving otherwise), **provided that** the Amortisation Test shall not apply and, accordingly, no Guarantor Event of Default will occur, if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

Upon receipt of an Issuer Default Notice or a Guarantor Default Notice, the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, dispose of the Assets included in the Cover Pool in accordance with the Cover Pool Management Agreement.

**Eligible Assets Limits**

The aggregate amount of Eligible Assets which are in compliance with Article 7-*duodecies*, paragraph 2, letter (b), of Law 130 (the "**Liquidity Assets**") and other Eligible Assets other than the Mortgage Loans included in the Cover Pool may not be in excess of the thresholds set out under Article 129, paragraph 1a., of the

CRR.

In this respect, on each Quarterly Test Calculation Date, the relevant Test Calculation Agent shall determine the amount of such Liquidity Assets forming part of the Cover Pool and the result of such calculation will be set out in each Test Performance Report to be prepared and delivered by the Test Calculation Agent in accordance with the provisions of the Cover Pool Management Agreement.

Should the result from any Test Performance Report show that the aggregate amount of Eligible Assets other than Mortgage Loans included in the Cover Pool is in excess of any of the thresholds set out under Article 129, paragraph 1a., of the CRR, then the Seller may, but shall not obliged to, transfer to the Guarantor New Portfolio(s) of Eligible Assets in order to cure such excess or alternatively, the Seller may repurchase Liquidity Assets to comply with such limits.

In the meantime, the Eligible Assets other than Mortgage Loans in excess of the limits set out in Article 129, paragraph 1a., will not be computed for the purpose of the Tests other than the Asset Coverage Test.

Any breach of the limits under article 129, paragraph 1a., of the CRR shall constitute neither an Issuer Event of Default nor a Guarantor Event of Default.

**The Tests**

The Programme provides that the assets of the Guarantor are subject to (a) the Mandatory Tests, (b) the Asset Coverage Test, (c) the Amortisation Test and (d) the Liquidity Reserve Requirement.

Accordingly, for so long as Covered Bonds remain outstanding, the Seller, each Additional Seller (if any) and the Issuer must always ensure that the following tests are satisfied on each Test Calculation Date:

(i) the Nominal Value Test;

(ii) the Net Present Value Test;

(iii) the Interest Coverage Test,

(the "**Mandatory Tests**");

(iv) the Liquidity Reserve Requirement;

(v) the Asset Coverage Test; and

(vi) the Amortisation Test.

The Mandatory Tests and the Asset Coverage Test (or, following the delivery of an Issuer Default Notice, the Amortisation Test) are intended to ensure that the Cover Pool is sufficient to repay the Covered Bonds.

The Liquidity Reserve Requirement is intended to ensure that the amount of Eligible Assets which are in compliance with Article 7-

*duodecies*, paragraph 2, of Law 130, composing the Outstanding Principal Balance of the Cover Pool, including the Required Reserve Amount (the "**Liquidity Reserve**"), is in an amount equal to or greater than the maximum cumulative Net Liquidity Outflows expected in the next following 180 days.

For a detailed description of the Tests, see paragraph "*Tests*" of section "*Credit Structure*" below.

**Segregation Events**

In case of the occurrence of a breach of any of the Mandatory Tests and/or the Asset Coverage Test on the relevant Quarterly Test Calculation Date, which in either case has not been remedied within the applicable Test Grace Period, the Representative of the Bondholders will serve a Breach of Tests Notice on the Issuer and the Guarantor.

Upon delivery of a Breach of Test Notice (for the avoidance of doubt, other than with respect to the test related to the Liquidity Reserve Requirement), a Segregation Event will occur and:

(a) no further Series or Tranche of Covered Bonds may be issued by the Issuer;

(b) there shall be no further payments to the Subordinated Lender under any relevant Term Loan, other than when necessary for the purpose of complying with article 129, paragraph 1a. of the CRR as better specified in the Cover Pool Management Agreement (and to the extent that no purchase of Eligible Assets is possible to this effect in accordance with the provisions of the Master Assets Purchase Agreement and the Cover Pool Management Agreement and/or in compliance with the limits set out in the Bank of Italy Regulations);

(c) the purchase price for any Eligible Assets to be acquired by the Guarantor shall be paid only using the proceeds of a Term Loan, except where the breach referred to in the Breach of Tests Notice may be cured by using the Guarantor Available Funds;

(d) the Main Servicer (and any Additional Servicer, if any) will be prevented from carrying out renegotiations of the Loans pursuant to the Master Servicing Agreement; and

(e) payments due under the Covered Bonds will continue to be made by the Issuer until an Issuer Default Notice has been delivered.

For further details, see section "*Description of the Programme Documents – Cover Pool Management Agreement*".

**Issuer Events of Default**

An Issuer Event of Default will occur if:

(i) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series or Tranche of Covered Bonds and such breach is not remedied within

15 Business Days, in case of amounts of interest, or 20 Business Days, in case of amounts of principal, as the case may be; or

(ii) *Breach of other obligations:* a material breach by the Issuer of any obligation under the Programme Documents occurs (other than payment obligations referred to in item (i) (*Non-payment*) above) and such breach is not remedied within 30 days after the Representative of the Bondholders has given written notice thereof to the Issuer; or

(iii) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or

(iv) *Article 74 Event*: a resolution pursuant to Article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or

(v) *Breach of Mandatory Tests and/or Asset Coverage Test*: following the delivery of a Breach of Tests Notice, any of the Mandatory Tests and/or the Asset Coverage Test is not met at the end of the Test Remedy Period, unless a Programme Resolution of the Bondholders is passed resolving to extend the Test Remedy Period.

If any of the events set out in points from (i) to (v) above (each, an "**Issuer Event of Default**") occurs and is continuing, then the Representative of the Bondholders shall, or, in the case of the event under item (ii) (*Breach of other obligations*) above shall, if so directed by a Programme Resolution, serve an Issuer Default Notice on the Issuer and the Guarantor demanding payment under the Guarantee, and specifying, in case of the Issuer Event of Default referred to under item (iv) (*Article 74 Event*) above, that the Issuer Event of Default may be temporary.

Upon the service of an Issuer Default Notice:

(a) *Application of the Segregation Event provisions*: the provisions governing the Segregation Event referred to in Condition 12.1.2 shall apply; and

(b) *Guarantee*: (i) interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under the Terms and Conditions and the Final Terms of the relevant Series or Tranche of Covered Bonds, subject to and in accordance with the terms of the Guarantee and the relevant Priority of Payment. In this respect, the payment of any Guaranteed Amounts which are Due for Payment in respect of a Series or Tranche of Covered Bonds whose Interest Payment Date or Maturity Date (or Extended Maturity Date, if applicable) falls within two Business Days immediately after delivery of an Issuer Default Notice, will be made by the Guarantor within the date falling five Business Days following such delivery, it being understood that the above provision will

apply only (A) in respect of the first Interest Payment Date of the relevant Series or Tranche of Covered Bonds and (B) in respect of the Maturity Date (or Extended Maturity Date, if applicable) of the Earliest Maturing Covered Bonds; (ii) the Guarantor (or the Representative of the Bondholders pursuant to the Intercreditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Guarantee; and

(c) *Disposal of Eligible Assets*: if necessary, in order to make payments under the Covered Bonds, the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell or otherwise liquidate, the Eligible Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement,

provided that, in case of the Issuer Event of Default determined by a resolution issued in respect of the Issuer pursuant to article 74 of the Consolidated Banking Act (referred to under item (iv) (*Article 74 Event*) above) (the "**Article 74 Event**"), the effects listed in items (a) (*Application of the Segregation Event provisions*), (b) (*Guarantee*) and (c) (*Disposal of Eligible Assets*) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Consolidated Banking Act will be in force and effect (the "**Suspension Period**"). Accordingly, (A) during the Suspension Period, the Guarantor shall be responsible for the payments of the amounts due and payable under the Covered Bonds, in accordance with Law 130, and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the Covered Bonds.

Please also see Condition 12.2 (*Issuer Events of Default*).

**Guarantor Event of Default** Following the delivery of an Issuer Default Notice, a Guarantor Event of Default will occur if:

(i) *Non-payment*: the Guarantor fails to pay any Guaranteed Amount under the Guarantee and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or

(ii) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or

(iii) *Breach of other obligations:* a material breach of any obligation under the Programme Documents by the Guarantor occurs (other than payment obligations referred to in item (i) (*Non-payment*) above) which is not remedied within 30 days after the Representative of the Bondholders

has given written notice thereof to the Guarantor; or

(iv) *Breach of the Amortisation Tests:* the Amortisation Tests is breached on any Quarterly Test Calculation Date, provided that the Amortisation Test shall not apply and no Guarantor Event of Default will occur, if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bond,

If any of the events set out in points from (i) to (iv) above (each, a "**Guarantor Event of Default**") occurs and is continuing then the Representative of the Bondholders shall serve a Guarantor Default Notice, unless the Representative of the Bondholders, having exercised its discretion, resolves otherwise or a Programme Resolution of the Bondholders is passed resolving otherwise.

Upon the delivery of a Guarantor Default Notice:

(i) *Acceleration of Covered Bonds:* the Covered Bonds shall become immediately due and payable at their Early Termination Amount together, if appropriate, with any accrued interest and will rank *pari passu* among themselves in accordance with the Post-Enforcement Priority of Payments;

(ii) *Guarantee*: subject to and in accordance with the terms of the Guarantee, the Representative of the Bondholders, on behalf of the Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 11.1 (*Gross-up by Issuer*) in accordance with the Post-Enforcement Priority of Payments;

(iii) *Disposal of Eligible Assets*: the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell or otherwise liquidate, the Eligible Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement; and

(iv) *Enforcement*: the Representative of the Bondholders may, at its discretion and without further notice, subject to adequate satisfaction before doing so, take such steps and/or institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a resolution of the Bondholders.

Please also see Condition 12.3 (*Guarantor Events of Default*).

## 5. THE GUARANTOR AND THE GUARANTEE

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| **Guarantee** | Payments of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor to make payments in respect of such Guaranteed Amounts when Due for Payment are subject to the conditions that an Issuer Event of Default has occurred, and an Issuer Default Notice has been served on the Issuer and on the Guarantor, provided that, to the extent the Issuer Event of Default consists of an Article 74 Event, no Article 74 Event Cure Notice has been delivered.<br><br>The obligations of the Guarantor will accelerate once a Guarantor Default Notice has been delivered to the Guarantor. The obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsubordinated obligations collateralised by the Cover Pool and recourse against the Guarantor is limited to such assets.<br><br>For further details, see "*Description of the Programme Documents – Guarantee*". |
| **Cover Pool** | The Guarantee will be:<br><br>(a) collateralised by the Cover Pool, constituted by (i) the Portfolio comprised of Receivables assigned form time to time to the Guarantor by the Main Seller (and/or each Additional Seller, if any) in accordance with the terms of the Master Assets Purchase Agreement, and any other Eligible Assets held by the Guarantor with respect to the Covered Bonds (including any proceeds thereof which will, inter alia, comprise the funds generated by the Portfolio and the other Eligible Assets including, without limitation, funds generated by the sale of assets from the Cover Pool and funds paid in the context of a liquidation of the Issuer), and<br><br>(b) limited to the Segregated Assets, consisting of (i) the Cover Pool, (ii) any amounts paid by the relevant Debtors and/or the Swap Providers and (iii) any amount paid to the Guarantor from any other party to the Programme Documents.<br><br>For further details, see "*Description of the Cover Pool*". |
| **Limited recourse** | The obligations of the Guarantor to the Bondholders and, in general, to the Main Seller (and/or any Additional Seller(s), if any) and other creditors will be limited recourse obligations of the Guarantor. The Bondholders, the Seller (and /or any Additional Seller(s), if any) and such other creditors will have a claim against the Guarantor only within the limits of the Guarantor Available Funds and subject to the relevant Priorities of Payments, in each case subject to, and as provided for in, the Guarantee and the other Programme Documents. |
| **Term Loans** | Under the terms of the relevant Subordinated Loan Agreement, the Main Seller and each Additional Seller (if any), in their capacity, |

respectively, as Main Subordinated Lender and Additional Subordinated Lender(s), will from time to time grant to the Guarantor Term Loans in the form of (i) a Programme Term Loan, or (ii) a Floating Interest Term Loan, or (iii) a Fixed Interest Term Loan.

Each Programme Term Loan will be granted for the purpose of, *inter alia*, (a) funding the purchase price of the Eligible Assets included in the Initial Portfolio; (b) funding, in whole (upon delivery by the Test Calculation Agent of a Test Performance Report showing the breach of any of the Tests) or in part, the purchase price of the Eligible Assets to be transferred to the Guarantor pursuant to the Master Assets Purchase Agreement and the Cover Pool Management Agreement in order to remedy the breach of any of the Tests; (c) allowing the Guarantor to credit on the Reserve Account or to create a reserve sufficient to respect the Liquidity Reserve Requirement, and/or (d) funding (in whole or in part) the purchase price of any Eligible Assets transferred to the Guarantor pursuant to the Master Assets Purchase Agreement for over-collateralisation purposes.

Each Floating Interest Term Loan or Fixed Interest Term Loan will be granted for the purpose of, *inter alia*, funding (in whole or in part) (a) the purchase price of the Eligible Assets included in any New Portfolios to be transferred to the Guarantor in connection with the issue of a Corresponding Series or Tranche of Covered Bonds to be issued under the Programme, and/or (b) the repayment (in whole or in part) of any Term Loan previously granted, and/or (c) allowing the Guarantor to credit on the Reserve Account or to create a reserve sufficient to respect the Liquidity Reserve Requirement.

Amounts owed to each Subordinated Lender by the Guarantor under the Subordinated Loan Agreements will be subordinated to amounts owed by the Guarantor under the Guarantee.

For further details, see "Description of the Programme Documents – Subordinated Loan Agreement".

**Excess Assets and support for further issues**

Any Eligible Assets forming part of the Cover Pool which are in excess of the value of the Eligible Assets required to satisfy the Tests may be (i) purchased by the Seller in accordance with the provisions of the Cover Pool Management Agreement and the Master Assets Purchase Agreement or (ii) retained in the Cover Pool, also to be applied to support the issue of new Series or Tranche of Covered Bonds or ensure compliance with the Tests, provided that in each case any such disposal or retention shall occur in accordance with any relevant law, regulation or interpretation of any authority (including, for the avoidance of doubts, the Bank of Italy or the Minister of Economy and Finance) which may be enacted with respect to Law 130, the Bank of Italy Regulations and no disposal under item (i) above may occur if it

would cause any of the Tests to be breached.

For further details, see "*Description of the Programme Documents - The Cover Pool Management Agreement*".

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

The Covered Bonds benefit from the provisions of title I-*bis* of Law 130, pursuant to which the Cover Pool is segregated by operation of law from the Guarantor's other assets.

In accordance with article 7-*octies* of Law 130, prior to and following a winding up of the Guarantor and an Issuer Event of Default or Guarantor Event of Default causing the Guarantee to be called, proceeds of the Cover Pool paid to the Guarantor and amounts standing to the credit of the accounts opened in the name of the Guarantor will be exclusively available for the purpose of satisfying the obligations owed to the Bondholders, to any Swap Providers under any Swap Agreements and to any other creditors exclusively in satisfaction of the transaction costs of the Programme.

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

**Cross-collateralisation**

All Eligible Assets transferred from the Seller(s) to the Guarantor from time to time or otherwise acquired by the Guarantor and the proceeds thereof and any funds generated by the sale of Assets included in the Cover Pool form the collateral supporting the Guarantee in respect of all Series or Tranches of Covered Bonds.

**Claims under Covered Bonds**

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

**Disposal of the Eligible Assets included in the Cover Pool following the delivery of an Issuer Default Notice (but prior to the service of a Guarantor Default Notice)**

After the service of an Issuer Default Notice on the Guarantor, but prior to the service of a Guarantor Default Notice, the Guarantor or the Portfolio Manager may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell the Eligible Assets in the Cover Pool in accordance with the Cover Pool Management Agreement, subject to the right of pre-emption in favour of the Issuer, as Main Seller, or any Additional Seller(s), if any (as the case may be), in respect of the Eligible Assets transferred by each of them. The proceeds from any such sale will be credited to the Main Programme Account and applied as set out in the applicable Priority of Payments, provided that in case of an Issuer Default Notice specifying that the relevant Issuer Event of Default consists of an Article 74 Event, such provisions will only apply for as long as the Representative of the Bondholders will have delivered an Article 74 Event Cure Notice to the Issuer, the Guarantor and the

Asset Monitor, informing such parties that the Article 74 Event has been cured.

The Eligible Assets to be sold will be selected from the Cover Pool on a random basis by the Main Servicer on behalf of the Guarantor (any such Eligible Assets the "**Selected Assets**") on the condition that the Amortisation Test (if applicable) is complied with prior to and after the sale of such Selected Assets, but **it being understood that** the Amortisation Test will not apply if an Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

**Disposal of the Assets included in the Cover Pool following the delivery of a Guarantor Default Notice**

After the service of a Guarantor Default Notice, the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell Eligible Assets included in the Cover Pool in accordance with the procedures described in the Cover Pool Management Agreement, subject to the right of preemption in favour of the Issuer, as Main Seller, or any Additional Seller(s), if any (as the case may be), provided that the Guarantor will instruct the Portfolio Manager to use all reasonable endeavours to procure that such sale is carried out as quickly as reasonably practicable taking into account the market conditions at that time.

For further details, see Condition 12.3 (*Guarantor Events of Default*).

## 6. SALE AND DISTRIBUTION

**Purchase of Covered Bonds by the Issuer**

The Issuer or any such subsidiary may at any time purchase any Covered Bonds in the open market or otherwise and at any price.

**Certain restrictions**

Each Series or Tranche of Covered Bonds issued will be denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements may apply and will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.

For further details, see section "*Subscription and Sale*" below.

# RISK FACTORS

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

*Each of the Issuer and the Guarantor believes that the following factors may affect their ability to fulfil their obligations under the Covered Bonds issued under the Programme. All these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme are also described below.*

*Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Covered Bonds issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on the information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.*

*The following sections describe the principal risk factors associated with an investment in the Covered Bonds. Prospective purchasers of Covered Bonds should consider carefully all the information contained in this Base Prospectus, including the considerations set out below, before making any investment decision.*

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

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

1. *Risks factors relating to the Issuer and the Group;*
2. *Risk factors related to the operating activity and the industry in which the Issuer and the Group operate; and*
3. *Risk factors related to the legal and regulatory framework of the sector of business in which the Issuer and the Group operate*.

### 1. Risk factors relating to the Issuer and the Group

#### *1.1. Risks relating to the integration of the Mediobanca Group*

The incorporation of Mediobanca – Banca di Credito Finanziario Società per Azioni ("**Mediobanca**") into the Issuer (the "**Merger**") entails risks typical of merger transactions, with particular reference to the necessary coordination of management, and the integration of information technology ("**IT**") systems, structures and services of the former Mediobanca Banking Group (the "**Mediobanca Group**") with those of the Group. Such risks pertaining to the Merger mainly relate to:

- an inefficient review of corporate governance;
- potential delays in integration activities, with negative impacts in terms of efficiency, reliability and consistency of operating, administrative and control functions;
- the management of IT systems, with possible malfunctions that would lead to a temporary unavailability of applications with a consequent loss of revenues or higher recovery costs; and
- the ability to retain and manage key individuals in the integration process and to maintain customer relationships during the integration phase, which could result in a decrease in direct and indirect funding determining lower fees and higher funding costs.

The Group could incur additional legal, accounting and administrative costs related to the Merger, as well as the risk of operational and reputational losses arising from the improper functioning of processes and technologies, with consequent negative effects on the Group's profit and loss, equity and financial position.

#### *1.2. Liquidity risk for the 12-month period and risks related to the Issuer's indebtedness and system liquidity support measures*

The Group's liquidity position could be exposed, in a time horizon beyond 12 months from the date of this Base Prospectus, to a series of both exogenous and internal events that could generate a decrease in its customers' deposits, difficulties or inability to access markets, to receive funds from counterparties outside the Group, or result in the impairment of certain assets and/or the inability to finance or liquidate them. Among these, the possible systemic economic/financial crisis (e.g., conflicts between U.S./Israel and Iran, Russia/Ukraine and in the Middle East, etc.), the worsening of the Issuer's reputational profile, and possible tensions in the debt market (making the Group's issuance programme more difficult to implement) are of particular relevance. As of the date of this Base Prospectus, the Issuer has reserves that are deemed sufficient for the twelve months following such date even in case severe adverse events should occur.

With respect to risks related to the Issuer's indebtedness and interventions to support system liquidity, significant reduction or withdrawal of systemic liquidity support by governments and central

authorities or reduction of liquidity obtainable through access to the Eurosystem could generate difficulties and/or higher costs in accessing market sources of liquidity, with potential even significant adverse effects on the Bank's and/or the Group's activities and economic, capital and/or financial position.

The European Central Bank (the "**ECB**"), in the context of the 2025 SREP Decision (as defined and described in subparagraph "*2025 SREP Decision*" of the "*Events*" paragraph under the "*Banca Monte dei Paschi di Siena S.p.A.*" section of this Base Prospectus), gave its opinion also on the Internal Liquidity Adequacy Assessment Process ("ILAAP") implemented by the Group, concluding that no additional liquidity requirements are requested.

In addition, the acquisition of Mediobanca has led to a significant change in the structure of liabilities, shifting from a strong retail focus with limited reliance on institutional funding (typical of BMPS) to a structure that shall account for the growth of wealth management and a significant component of wholesale market financing (typical of Mediobanca).

As of 31 March 2026 any adverse change to the ECB's lending policy or funding requirements and the geo-political evolution could affect the Group's results of operations, business and financial condition. Please note that changes to the asset class criteria accepted by the ECB as collateral were absorbed without any significant upheavals. However, the Issuer remains attentive to the evolution of the funding market to ensure that its ordinary refinancing strategies and normal business are not affected by the cumulative effect of the maturity of all the remaining central bank funding and additional outflows due to the impact of adverse market liquidity scenarios.

*1.3. Risks related to deterioration in credit quality and the impacts of the worsening economic environment, particularly in Italy, on credit quality and banking in general*

The Group is exposed to risks relating to lending activities and to the possibility that its contractual counterparties fail to fulfil all or part of their payment obligations. These risks have been rendered even more severe considering the interest rate trends which may negatively affect payment obligations of the clients. As of 31 December 2025: (i) the Group has an amount of customer loans classified as non-performing exposures (i.e., including non-performing loans, unlikely-to-pay and past due exposures) of Euro 4,223 million gross, Euro 1,952 million net; (ii) the Group's coverage ratio of impaired loans to customers for the Group as a whole is 53.8%; and (iii) the incidence rates of net loans to customers at amortized cost classified as stage 1 (financial instruments that have not experienced a significant increase in credit risk since initial recognition) and stage 2 (financial instruments that have experienced a significant increase in credit risk since initial recognition but have no objective evidence of loss) are substantially improving compared to what was observed at the end of December 2024 (90.8% and 7.7% at the end of December 2025, respectively). Considering the uncertainties associated with the conflicts between U.S./Israel and Iran and in Ukraine and Middle East, in the event of a deterioration in credit quality the provisions to be set aside to manage this risk may have a significant adverse effect on the Group's operating results and economic, equity and/or financial position.

For more information, please refer to the consolidated and separate audited annual financial statements and the consolidated non-financial statements of the Issuer for the financial year ended on 31 December 2025 contained in the 2025 audited consolidated annual report (the "**2025 Consolidated Financial Statements**") and to the Consolidated Interim Report as at 31 March 2026 available on the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

Please note that the 2025 SREP Decision (as defined and described in subparagraph "*2025 SREP Decision*" of the "*Events*" paragraph under the "*Banca Monte dei Paschi di Siena S.p.A.*" section of this Base Prospectus) contained a requirement to submit a strategic plan to address the high level of non-

performing exposures ("**NPEs**") in the CRE, SME and Consumer portfolio. The ECB pointed out that the BMPS' level of NPEs for these portfolios is still high in comparison with the average gross level of NPEs of credit institutions under the direct supervision of the ECB. Taking this into account, in March 2026 BMPS presented, as every year, to the ECB a three-year strategic plan for the management of NPEs, with a specific focus on CRE, SME and Consumer portfolios. As part of this plan, the Bank is already planning sales of non-performing loans ("**NPL**") in 2026 in order to achieve the NPL objectives required for the CRE and SME portfolios over time. Finally, it should be noted that in the 2025 SREP Decision there were no references to the remaining credit portfolios (such as, for example, Retail Mortgages, and Corporate).

The Group is in line with the non-performing exposures coverage targets set out in the 2025 SREP Decision. These coverage levels have already been factored into both the prospective calendar provisioning impact estimates set out in the business plan for the period 2026-2030 headed "*From Deep Roots to New Frontiers – A Leading Competitive Force in Banking*" approved by its Board of Directors on 26 February 2026 (the "**2026-2030 Business Plan**") and the non-performing exposure strategy. In the event that the provisions in the financial statements, determined in accordance with the accounting standards, are not sufficient to align with the minimum coverage required by the so-called "calendar provisioning", the Group proceeds to apply deductions from regulatory capital up to the amount necessary to adjust to the minimum coverage required, as provided by the applicable regulations.

The Bank is also exposed to the risk of deteriorating credit quality as a result of the domestic and international economic situation.

*1.4. Risks related to non-compliance with MREL requirements*

Pursuant to Article 45 of Directive 2014/59/EU, as amended by Directive (EU) 2019/879, institutions must meet at all times a minimum requirement for own funds and eligible liabilities ("**MREL**") defined by the resolution authority for each institution, in order to ensure that a bank, in the event of the application of the bail-in procedure, has sufficient liabilities to absorb losses and to ensure compliance with the Primary Tier 1 Capital requirement for the authorization to conduct banking business, as well as to generate sufficient confidence in it in the market.

As of 31 December 2025, the Issuer shall comply, on a consolidated basis[1], with an MREL of 23.59% in terms of total risk exposure amount ("**TREA**"), to which the combined capital buffer requirement ("**CBR**") of 3.27%[2] must be added, as well as 6.43% in terms of leverage ratio exposure ("**LRE**") measure. To these must be added the additional subordinated MREL requirements, to be met with own funds and subordinated instruments, equal to 13.99% of TREA, to which the CBR must be added, and 6.43% of LRE.

As at 31 December 2025, the Group has values higher than the requirements set for 2025:

- an MREL capacity of 29.44% in terms of TREA and 10.4% in terms of LRE measure; and

[1] The targets established in the MREL Decision of November 2024 will continue to apply to the Group, net of the contribution of the Mediobanca Group, pending the definition of a new MREL target determined on the basis of the new perimeter.

[2] Calculated with reference to the Group, net of the contribution of Mediobanca Group.

- an MREL subordination capacity of 23.26% in terms of TREA and 8.28% in terms of LRE measure.

Notwithstanding the Issuer plans to meet over the next 12 months all MREL requirements on a consolidated basis thanks to its solid capital position and sound funding strategies, the Group is exposed to the risk of incurring breaches of the MREL requirements, in the event of failure to meet the institutional issuance volume required in order to comply with MREL targets, which could be challenged by any systemic tensions in the debt markets and/or idiosyncratic circumstances of the Group.

In addition, it cannot be excluded that in the future the Group will breach the MREL and/or the CBR targets, due to, among other things, possible changes in bank resolution regulations and/or the criteria for determining MREL requirements by the resolution authorities, such as raising the requirements or reducing the instruments that are eligible for MREL purposes. Such circumstance could lead, in addition to the prohibition on dividend distributions and the prohibition to perform certain activities, which may be imposed by the resolution authorities, to the adoption of specific measures against the Issuer by the same authorities; should the Issuer and/or the Group be unable to comply with such measures or to fulfil the obligations imposed by such authorities, there could be significant consequences for the Issuer's and/or the Group's economic, equity and financial situation.

*1.5. Risks related to the rating assigned to the Issuer and its debt*

The Issuer and its debt are subject to ratings by Moody's, Fitch and Morningstar DBRS (Moody's, Fitch and Morningstar DBRS, together, the "**Agencies**"). As of the date of this Base Prospectus, all the rating Agencies have assigned ratings to the Issuer that fall into the investment grade category (as for the long-term issuer rating[3]), which is characterised by an adequate credit quality, and includes debt securities that may be vulnerable to adverse business or economic conditions.

The Issuer's rating may also be affected by the rating of the Italian State: any significant downgrade in Italy's sovereign rating could adversely affect the Issuer's ratings, with consequent negative effects on the Bank's and/or the Group's business and economic, capital, and/or financial position.

Should the Issuer experience a deterioration (so-called "downgrading") in the ratings assigned by one or more Agencies, there could be a greater burden in raising financing, more difficult and/or expensive recourse to the capital market, could require additional collateral due in specific transactions or agreements and, more generally, it could have potential negative repercussions for the Group's liquidity and on the Group's reputation among institutional investors, retail investors and clients.

*1.6. Risks related to capital adequacy*

The Issuer is subject to the capital adequacy requirements of Directive (EU) 2013/36 of the European Parliament and of the Council in relation to credit institutions' activities, credit institutions' prudential supervision and investment undertakings (the "**CRD IV**") and of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions (as amended and supplemented from time to time, the "**CRR**").

As of 31 December 2025, the Group has a CET 1 Ratio of 16.2%, a Tier 1 ratio of 16.4% and a Total Capital Ratio of 18.4%, including the effects arising from the consolidation of the Mediobanca Group; as of 31 December 2024, the Group has a CET 1 Ratio and a Tier 1 ratio of 18.3%, and a Total Capital Ratio of 20.6%.

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[3] As regards the rating assigned by Moody's, reference is made to the long-term senior debt rating.

Finally, it should be noted that the Group has a leverage ratio of 6.2% as at 31 December 2025 including the effects arising from the consolidation of the Mediobanca Group, and of 7.2% as at 31 December 2024[4] which is above the minimum requirement of 3%.

The Group, on a consolidated basis, meets all capital requirements, including those related to the Pillar II Capital Guidance ("**P2G**").

Should the supervisory authorities impose additional requirements or adopt interpretations of the regulatory provisions governing prudential funds requirements that are unfavourable to the Issuer, its ability to meet such requirements could be materially impaired, with consequent adverse effects on its capital adequacy, economic and financial conditions, and dividend distribution capacity.

For further information in such regard, please refer to the "Capital adequacy" paragraph of the consolidated and separate audited annual financial statements and the consolidated non-financial statements of the Issuer for the financial year ended on 31 December 2024, contained in the 2024 audited consolidated annual report (the "**2024 Consolidated Financial Statements**"), to the "Capital adequacy" paragraph of the 2025 Consolidated Financial Statements and to the *"Capital adequacy"* paragraph of the Consolidated Interim Report as at 31 March 2026 available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

1.7. *Risk of exposure to debt securities issued by sovereign states*

The Group is exposed to the risk relating to debt securities issued by sovereign states and has exposure to bonds issued by central and local governments and government entities of the Republic of Italy. As of 31 December 2025, the overall exposure in securities of the Italian government is about Euro 18.8 billion, (of which Mediobanca's relevant exposure is about Euro 6.8 billion).

Tensions in the sovereign bond market and the volatility of government bonds, significant increases in inflation, and increases in interest rates by the ECB may therefore have negative effects on the Group's business, economic, capital and/or financial position, operating results, and prospects. In particular, rising rates may have a negative effect on the Group's positions measured at fair value by virtue of the short exposure, in terms of sensitivity, to a +1 basis point change in interest rates.

Similarly, any deterioration in the yield differential of Italian government bonds compared to other European benchmark government bonds and/or any joint actions by the major rating agencies, such as to result in a credit rating of the Italian government below investment grade, could result in negative impacts on the Group's liquidity position and negative impacts on the value of the portfolio, as well as on capital ratios.

For more information on the Issuer's risks related to the exposure to debt securities issued by sovereign states, please refer to the "*Exposure to sovereign debt risk*" paragraph of the 2024 Consolidated Financial Statements starting on page 542, to the "*Exposure to sovereign debt risk*" paragraph of the 2025 Consolidated Financial Statements starting on page 630 and to the *"Exposure to sovereign debt risk"* paragraph of the Consolidated Interim Report as at 31 March 2026 starting on page 63, available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

*1.8. Risks related to the impairment of DTAs*

As of the date of this Base Prospectus, the Issuer is exposed to the risk that the recorded deferred tax assets ("**DTAs**") may in the future be subject to partial or full impairment in the financial statements (i)

[4] Coefficients calculated considering the transitional provisions of the regulatory framework in force on the reference date.

should the Issuer's future profitability levels be lower than estimated and insufficient to ensure the reabsorption of DTAs (including in view of the possible impacts resulting from the conflicts between U.S./Israel and Iran and in Ukraine and Middle East), or (ii) should significant changes in current tax legislation and related practice occur.

As at 31 December 2025, DTAs at the Group level amounted to Euro 4,088 million, of which Euro 494 million can be converted into a tax credit under Law of 22 December 2011, no. 214 ("**Law 214/2011**"). The contingent DTAs were fully recognized because they were deemed recoverable, under the assumption of continuity of current tax legislation and related practice either because they can be transformed into tax credits pursuant to Law 214/2011 (DTAs with guaranteed recovery), or because they can be offset against the taxes that will be due against estimated future taxable income.

With regard to insufficient future taxable income, the risk of impairment would concern only the DTAs that cannot be transformed into tax credits (amounting to Euro 3,594 million as of 31 December 2025, of which DTAs from tax losses amounting to Euro 2,813.5 million), since the recovery of the transformable DTAs is irrespective of the Issuer's future earning capacity. In the event of future regulatory changes, on the other hand, the risk of impairment could affect the total amount of DTAs recorded in the financial statements.

The effects of the aforementioned write-downs on capital ratios for regulatory supervisory purposes would differ depending on the type of DTAs affected, according to the different prudential treatment provided. Specifically, the impact of any write-down: (i) with regard to DTAs from tax losses would be nil, (ii) with regard to DTAs that can be transformed into tax credits under Law 214/2011 would be higher, and (iii) with respect to DTAs having a different nature from the previous ones, the impact on capital ratios would be relevant for the amount of said DTAs within given thresholds, and nil for the amount exceeding the aforementioned thresholds.

The Issuer believes that the events associated with this risk have a low likelihood of occurring and that, should they occur, they would entail a reassessment in light of the applicable tax legislation. Therefore, the Issuer considers this risk to be of residual significance. Overall, the materialization of this risk could have significant negative effects on the Issuer's and the Group's activities, as well as on their economic, equity and/or financial condition.

*1.9. Risks associated with assignments of impaired loans*

In the 2024-2028 Business Plan, non-performing exposure disposals for a total of Euro 2 billion are envisaged.

With exclusive reference to the sales of impaired receivables already completed as of the date of this Base Prospectus, the Group is also exposed to risks attributable to (a) any potential indemnity obligations to which it would be subject if the representations and warranties issued in relation to each portfolio of receivables sold turned out to be untrue or incorrect; and (b) the risk that the claims already notified to it would be deemed well-founded or, in any case, founded to a greater extent than estimated by the same.

In this regard, it should be noted in particular that as of the date of this Base Prospectus: (i) in relation to certain sale transactions, all claims notified to the Bank have not yet been analyzed; (ii) the terms for the notification of claims arising from the incorrectness of the representations and warranties of the Issuer have not yet expired; (iii) there is uncertainty as to the occurrence of a future and uncertain

event that could expose the Bank to indemnifications[5]; and (iv) there is no certainty as to the fate of the claims assessed as unfounded by the Issuer (both in the event that such assessment has been rejected by the counterparties and in the event that the counterparties have not expressed an opinion in this regard).

It should be noted that as of the date of this Base Prospectus, the Group has received notifications of disputes, which could cause further risks for the Group, related to:

- the securitization transaction "Valentine/Crystal" carried out by the Group in December 2017 in favour of Siena NPL 2018 S.r.l. (concerning Euro 22 billion of impaired loans). In the context of this transaction all the notified claims have been analysed and those deemed grounded have also been paid[6];
- the demerger transaction "Hydra-M" finalized in fiscal year 2020 concerning Euro 7.2 billion of impaired loans and whose deadline for sending claims expired on 1 December 2022. In the context of this transaction all the notified claims have been analyzed and those deemed grounded have also been paid[7];

  "Fantino" deleverage transaction completed in the last quarter of 2022, concerning a portfolio of non-performing loans for a total amount of Euro 0.9 billion; the deadline for notifying claims expired on 20 May 2024. In this context the Group is exposed to the following disbursement risk:

  - illimity Bank S.p.A.: sale of Euro 0.3 billion of impaired loans; the deadline for notifying claims expired on 4 March 2024. All notified claims have been considered not grounded[8];

- "Mugello" deleverage transaction completed in the last quarter of 2023, concerning a portfolio of non-performing loans for a total amount of Euro 0.2 billion; the deadline for notifying claims expired on 13 February 2025. In the context of this transaction all the notified claims have been analyzed and those deemed grounded have also been paid[9];
- "Bricks" deleverage transaction completed in the last quarter of 2024, concerning a portfolio of non-performing loans for a total amount of Euro 289 million, whose representations and warranties expired in the first quarter of 2026. In the context of this transaction, all notified claims are being analyzed and those deemed well-founded have also been paid;
- "Nautilus" deleverage transaction completed in the last quarter of 2024, concerning a portfolio of non-performing loans for a total amount of Euro 44 million, whose representations and warranties expired in the third quarter of 2025. In the context of this transaction all the notified claims have been analyzed and those deemed grounded have also been paid;
- "Small Gem" deleverage transaction completed in the second quarter of 2025, concerning a portfolio of non-performing loans for a total amount of Euro 44 million, whose representations and warranties will expire in the last quarter of 2026;

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5 In particular, in relation to the assignment in favour of Siena NPL 2018 S.r.l. (Pjt. "Valentine/Crystal"), the Bank is exposed to the risk of receiving further claims since: (i) in relation to certain receivables in respect of which are pending passive judicial proceedings (listed in a specific annex of the relevant receivables transfer agreement), Siena NPL 2018 S.r.l. has the right to notify a claim until the conclusion of the aforementioned judicial proceedings; and (ii) Siena NPL 2018 S.r.l. has notified before 31 July 2021 (i.e. the deadline for the notification of claims), certain claims having a "preventive" nature (so called "pre-claims"), which could give right to indemnification, also beyond the aforementioned date, upon the occurrence of the future and uncertain event deducted in the relevant pre-claim.

6 As regards the claims deemed unfounded, the positions of BMPS and the assignee are not yet aligned.

7 Amco S.p.A. has notified, before 1 December 2022 (i.e. the deadline for the notification of claims), certain claims having a "preventive" nature (so called "pre-claims"), which could give right to indemnification, also beyond the aforementioned date, upon the occurrence of the future and uncertain event deducted in the relevant pre-claim.

8 See previous footnote n.5.

9 See previous footnote n.5.

- "Domino 1" deleverage transaction completed in the third quarter of 2025, concerning a portfolio of non-performing loans for a total amount of Euro 241 million, whose representations and warranties will expire in the last quarter of 2026; and
- "Domino 2" deleverage transaction completed in the last quarter of 2025, concerning a portfolio of non-performing loans for a total amount of Euro 116 million, whose representations and warranties will expire in the first quarter of 2027.

In this regard, it should be noted that as of the date of this Base Prospectus further disputes to the detriment of the Group could emerge from the aforementioned transactions.

Finally, it should be noted that, without prejudice for provisions set aside by the Group, for the overall disposal transactions the provisions are also determined through the use of statistical techniques to take into account the overall expected risk. It cannot be ruled out that the provisions set aside by the Group will then prove to be insufficient with possible negative effects on the Bank's and/or Group's economic, equity and/or financial situation.

## 2. Risk factors related to the operating activity and the industry in which the Issuer and the Group operate

### *2.1. Risks related to outstanding legal proceedings*

The Group is involved in various capacities in certain legal proceedings (civil, tax, labour, criminal and administrative) originated either in the ordinary course of business and in an extraordinary and exceptional context.

Without prejudice for the positive jurisprudential trend which, registered important verdicts in favour of the Bank, it cannot be excluded that the costs, expenses, penalties, claims for damages and restitution related to pending or future proceedings may in any case exceed the provisions made by the Issuer in accordance with the applicable accounting and financial reporting rules, due to possible court outcomes that differ from the estimates made by the Bank, the establishment of further significant litigation in the future and/or due to developments in case law, which could have an adverse effect on the Issuer's and/or the Group's economic and financial situation and prospects; the above with a possible negative impact on the economic and financial situation and prospects of the Issuer and/or the Group.

In this regard, it should be noted that as part of the analysis carried out on the individual SREP pillars, the ECB highlighted among the Bank's weaknesses/points of attention the persistence of, among other things, the operational risk, to which the Issuer is exposed, as a result of past legal proceedings which have weakened the Group's reputation, and of the number of pending lawsuits.

For a description of the legal, employment and tax proceedings involving the Group, please refer to the section "*Main types of legal, employment and tax risks*" of the 2025 Consolidated Financial Statements starting on page 713 and to the section *"Main types of legal, employment and tax risks"* of the Consolidated Interim Report as at 31 March 2026 starting on page 65, which are available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

### *2.2. Risks related to the administrative liability of legal persons and the possible inadequacy of the Issuer's organization and management model pursuant to Legislative Decree No. 231/2001*

Although the Issuer and the Group have adopted and maintain organization, management and control models provided for under Legislative Decree No. 231/2001 dated 8 June 2001 (as amended, the "Legislative Decree No. 231/2001") and subsequent amendments and additions (the "**231 Model**"), it cannot be excluded that they remain exposed to the application of sanctions resulting from any assessment of the inadequacy of the 231 Model adopted and/or the commission of an offence entailing the administrative liability of the Issuer and the Group pursuant to Legislative Decree No. 231/2001, as well as pursuant to similar provisions applicable in countries the Group operates in.

In fact, the adequacy and suitability of the 231 Model to prevent the crimes covered by the legislation is ascertained from time to time by the judicial authority who verifies the individual cases of crime. If the 231 Model is not considered adequate by the judicial authorities, a fine and the confiscation of any price or profit of the crime, if any, may be issued against the Issuer together with the publication of the conviction, as well as, in more serious cases, the possible application of prohibitive sanctions, such as the suspension or revocation of authorizations, licenses or concessions, the prohibition to contract with the public administration, the exclusion from facilitations, financing, subsidies and the possible revocation of those already granted as well as, finally, the prohibition to advertise goods and services, with consequent significant negative effects on the activity, the prospects, the economic, equity and financial situation of the Issuer and the Group.

*2.3. Risks related to bancassurance relationships*

As at the date of this Base Prospectus, the Group carries out bancassurance activities on the basis of an agreement with the group headed by AXA S.A. concerning the development of activities in the bancassurance, life and non-life and supplementary pension business, effective until 2027, the date of natural dissolution, unless otherwise agreed between the parties.

The shareholders' agreement originally entered into between MPS Finance Banca Mobiliare S.p.A. ("**MPS Finance**") (which was later universally succeeded by the Bank) and AXA Mediterranean Holding S.A. ("**AXA MH**") with the Bank and AXA S.A. also participating, aimed at regulating the governance of certain joint ventures between the two companies, provides that upon the occurrence of certain material events – such as change of control, breach of lock-up clauses, natural expiration of the agreement, serious default of one of the parties and/or invalidity of the agreement itself – the following rights arise: (a) the right of AXA MH to sell to the Bank the shares of AXA MPS Assicurazioni Vita S.p.A. ("**AMAV**") and AXA MPS Assicurazioni Danni S.p.A. ("**AMAD**") held by AXA MH (the "**Put Option**") as well as (b) the right of MPS Finance (as at the date of this Base Prospectus, the right is of BMPS) to purchase the shares of AMAV and AMAD held by AXA MH (the "**Call Option**"). Depending on the relevant event that triggers the exercise of the Call Option or the Put Option, it is expected that the sale or purchase price of the shares AMAV and AMAD will vary between 80% and 120% of the value of the shares of the two aforementioned companies, as determined by the Bank and AXA MH and/or a team of independent experts. This value of the shares will be determined: (i) for the life business, taking into consideration the embedded value and goodwill, whereas (ii) for the non-life business, using the discounted cash flow methodology.

Should the relevant framework agreement terminate (as a result of the activation of the Put Option or the Call Option arising from the occurrence of one of the relevant events), the Bank would be required to purchase the entire share capital of the existing joint ventures with AXA S.A., under the terms and conditions described above. The resulting investment is not envisaged under the 2026-2030 Business Plan and, as at the date of this Base Prospectus, cannot be quantified, even taking into account the existing contractual provisions; such an investment could impact the 2026-2030 Business Plan, making it necessary to revise the 2026-2030 Business Plan.

The actual exercise of the Put Option by AXA MH – on the occurrence of one of the relevant events provided for in the shareholders' agreement, including the change of control in the Bank – and consequently the obligation of BMPS to purchase the shares of AMAV and AMAD held by AXA MH could result in relevant effects on the Bank's and/or the Group's equity and/or financial situation. In particular, said purchase transactions could have impacts on the Issuer's solvency ratios based on the rules in force from time to time relating to the prudential treatment of insurance holdings.

*2.4. Operational risks*

The Group is exposed to operational risk, which consists of the risk of incurring losses resulting from internal or external fraud, the inadequacy or improper functioning of business procedures, errors or

deficiencies in human resources and internal systems, interruptions or malfunctions of services or systems, errors or omissions in the provision of services offered, or exogenous events.

The Bank assigns a high level of inherent information and communication technology ("**ICT**") and security risk due to the exposure of the Group to the digital world, leading to potential cyber-attacks and consequent suspension of digital services for clients. Therefore, the risk management framework is continuosly updated and specific action plans are ongoing in order to enhance the ICT and security risk posture.

In the SREP Decision 2025, the ECB acknowledged the effort of BMPS in enhancing the control framework, especially the endeavours to advance compliance with the requirements under Regulation (EU) No. 2022/2554 (the so-called Digital Operational Resilience Act), whilst with respect to the operational risk the ECB acknowledged the persisting decrease of new claims linked to legal risk on the ICT side.

### *2.5. ESG related risks*

In accordance with industry guidelines and best practices, the Issuer has implemented procedures to identify, measure and manage risks arising from environmental, social and governance ("**ESG**") factors.

Within the scope of environmental risk factors, particular attention is paid to those linked to climate change which, either directly through the Issuer's operations or indirectly (through the risks to which its clients are exposed), may affect the Issuer's core risks, such as credit, market, operational, reputational and liquidity risks. Climate-related risk factors may, for example, affect the creditworthiness of counterparties, based on specific transmission mechanisms of transition risk (*i.e.*, the difficulties faced by borrowers in the transition to a net-zero carbon economy, caused by political, regulatory and technological changes) and physical risk (a mechanism associated with losses in production, capital expenditure and productivity linked to acute extreme events or chronic trends in changes to weather events or the climate in general).

The Group's operations, financial position or earnings, despite the monitoring and forecasting of the impacts of adverse climate risk scenarios within the capital adequacy (ICAAP) and liquidity (ILAAP) assessment processes, could be affected by specific and extraordinary events involving peak physical or transition risks.

In addition to climate-related risks, the Issuer measures and manages environmental risks not immediately linked to climate (biodiversity, ecosystems, pollution, water resources, circular economy), also known as "nature risks". In this case, the potential impacts on core risks (still limited to credit risk as a potentially significant transmission channel) show a limited impact.

Non-climate-related E-risks could also potentially affect the Issuer's earnings or financial position, albeit to a more limited extent than climate-related E-risks and despite the management and mitigation controls established by the Group.

The aforementioned risk factors (climatic and non-climatic) do not affect materially other core financial risks (market, liquidity and operational risks).

In addition to the controls already described for environmental risks, the Issuer has established a set of key risk indicators for the measurement and management of social and governance risk factors. These risk factors may have a direct impact through the Group's operations or an indirect impact through the characteristics of its customers (depositors or borrowers). Whilst none of these risk factors has proved material in relation to the Issuer's profit or loss results or financial position, it should be noted that

such characteristics of certain customers could affect their creditworthiness, compounding other idiosyncratic risk factors already present (e.g. creditworthiness or market risk) or the Group's reputation.

*2.6. Interest Rate Risk in the Banking Book (IRRBB)*

The banking book identifies all the Group's commercial operations related to the maturity transformation of balance sheet assets and liabilities, treasury, foreign branches, and reference hedging derivatives. The Group is naturally exposed to interest rates trends in the markets in which it operates, changes in which (both positive and negative) can have an impact on the value of the Group's assets and liabilities and on net interest income ("NII"). In turn, interest rates trends are driven by a number of factors outside the Group's control, such as monetary policies, macroeconomic trends, and political conditions in the relevant countries. In addition, it has to be considered that the results of banking and financing operations also depend on the management of the Group's exposure to interest rates.

The banking book's interest rate risk measurements are mainly based on the exposure to interest rate risk for a change in the interest margin (short-term perspective) and economic value of equity (EVE, long-term perspective) of assets and liabilities in the banking book, applying both parallel shifts, of varying magnitude, to all rate curves and non-parallel shifts in rate curves.

In particular, the regulatory measures for Supervisory Outlier Test ("**SOT**") NII and SOT EVE, as calculated at the level of the new banking group (including Mediobanca), as of 31 March 2026, still indicate a moderate risk profile.

This risk is inherent in the nature of banking and it potentially affects all on-balance-sheet and off-balance-sheet items. As such, it requires complex management depending on the positioning strategy the Bank wishes to adopt in terms of interest margin sensitivity (short-term perspective) and/or economic value of capital (medium/long-term perspective) and, consequently, its hedging strategy.

In light of the above, the Issuer considers the risk to be significant, with a medium-to-high probability of occurrence, given the strategic nature of the risk itself and the scope from which it derives.

For further information, see paragraph "*Banking Book of the Group*" in the "*Banca Monte dei Paschi di Siene S.p.A.*" section below.

*2.7. Market risks*

The Group is exposed to market risk represented by potential losses in the value of financial instruments held by the Issuer, including securities of sovereign states, as a result of movements in market variables (such as, by way of example, interest rates, credit spreads, share prices, exchange rates, inflation levels) or other factors, which could generate a deterioration in the Issuer's and/or the Group's capital strength, both with regard to the trading portfolio (so-called "trading book"), and with regard to the portion of the banking portfolio (so-called "banking book") subject to market risks.

The Issuer quantifies this type of risk through the use of a "Value at Risk" measure (the "**VaR**").

The Group believes that it is particularly exposed to market risks, both with reference to external elements (the potential volatility of underlying risk factors) and to internal factors related, for example, to the VaR methodology used to estimate unexpected losses related to the overall trading and banking book portfolio. For more information on VaR methodology, please refer to the "*Market Risks*" section of the 2024 Consolidated Financial Statements, to the "*Market Risks*" section of the 2025 Consolidated Financial Statements and to the *"Market Risks"* section of the Consolidated Interim Report as at 31

March 2026, which are available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

Banking portfolios, in particular, represent the main component of the Group's market in terms of VaR, mainly attributable to BMPS' exposure to debt securities, concentrated on the component of Italian government securities measured at amortized cost (i.e., positions in amortizing cost).

With regard to the trading book, the market risk, measured in terms of VaR, is lower than in the past and it stems from liquidity providing/market making activities, from client service offering products and services to corporate and institutional clients (such as bancassurance products, hedging derivatives, structured bonds and certificates) managed through active risk management warehousing perspective, and through the Bank's treasury hedging activities for customer transactions. The short/medium-term proprietary trading component is not relevant, limited to liquid instruments with low transaction costs.

*2.8. Risks related to the impact of current uncertainties in the macroeconomic, financial and political environment on the performance of the Issuer and the Group*

The economic results of the Issuer and the Group companies, in view of their activities, are significantly influenced by the dynamics of global financial markets as well as by the macroeconomic environment (with particular regard to growth outlook) of Italy.

The national and global macroeconomic scenario is marked by significant profiles of uncertainty due to geopolitical tensions especially linked to the evolution of the conflict in the Middle East. Transforming a regional conflict to a large scale one involving not only Israel, the United States of America and the Islamic Republic of Iran but also other countries of the Persian Gulf and a prolonged closure of the Strait of Hormuz could result in significant disruptions in energy markets and major trade routes, adding severe pressure on energy prices and world inflation forcing monetary policy authorities to enact restrictive responses. Furthermore, it cannot be excluded that European countries could accidentally become involved in the conflict; at the same time the ongoing war in Ukraine still contribuites to maintain an elevated uncertainty. Moreover, additional risk of repricing in financial markets could dampen growth and sharp market corrections could also occur in the event of expected earnings disappointments in artificial intelligence (AI) sectors.

With respect to the United States of America, despite some bilateral trade agreements with important commercial counterparties or potential ineffectiveness of tariffs following the supreme court major rulings, potential headwinds from rising trade restrictions, retaliations, protectionism and likely inward-looking policies, and effectiveness of domestic budget control could dampen global growth and cause a slowdown in international trade.

An inflationary scenario, with persistent rises in energy prices, cost pressure or upward drift in inflation expectations, could compel central banks to keep policy rates higher for longer than expected or even raise them, potentially generating additional stress in financial markets, tighter credit standards and failing to sustain economic activity recovery. Tighter than expected global financial conditions would also intensify financial vulnerabilities to the economies and add to debt-servicing pressures.

The global macroeconomic picture could also be influenced by: (a) other global geopolitical tensions (i.e. disputes regarding Latin America, Greenland, Taiwan, or Baltic Area/Eastern Europe), (b) political

fragmentation (i.e. in Europe where the EU has to deal with military budget, common defence, impacts of the conflict in the Middle East, trade policy, capital markets and banking union, while Germany and France suffer respectively a weakness of domestic manufacturing and high public debt), (c) spillovers from weaker growth in China, persistent tensions in the Chinese residential property market, and world market penetration of Chinese manufacturers, (d) the sovereign debt sustainability of certain countries, (e) devaluations of some countries' domestic currencies (i.e., U.S. dollars), (f) banking sector's and financial crisis, (g) a resurgence in international terrorism due to the conflict in the Middle East, and (h) potential upward pressure to inflation due to the market labour tensions and the effects of unfolding climate changes.

Alongside the international macroeconomic situation, there are also specific risks associated with the current economic, financial and political conditions in Italy. Indeed the Issuer operates mainly in the domestic market and therefore, its business is particularly sensitive to investor perception of Italy's reliability and financial solidity as well as its prospects of economic growth. A partial/delayed implementation or non-implementation of the National Recovery and Resilience Plan, that fails in supporting growth or green transition, could affect investors' perception of country risk, by being reflected in a high yield differential between the Italian 10-year (the "BTP10Y") and the German bund. Also a potential failure in complying with the domestic debt reduction trajectories agreed with the EU could put the BTP10Y-Bund spread under pressure. On the other hand, the requested tightening of the Italian fiscal policy might weigh on domestic households disposable income and on corporate profits, even if a degree of fiscal policy flexibility may be used to contain higher energy costs. Furthermore, on the economic activity side, Italian foreign demand could be influenced by the difficulties of the industrial sector in Germany, which is Italy's first trading partner, and could be impacted by higher trade tariffs to American markets and by the surge in energy prices due to shocks in the Persian Gulf area.

Such risks may lead to a stagnation or recessionary trend in the Italian economy in the short to medium term and could adversely affect the dynamics of the main banking aggregates and the specific impacts on the Bank's and Group's economic, financial and capital position could be relevant.

Among several other factors, macroeconomic and geopolitical developments, and the possible domino effects such developments may have on global and regional growth and development, could cause BMPS' actual results and performance to differ significantly from what is explicitly or implicitly stated in any forward-looking statement.

In this context, there is the possibility, in particular for the banking sector, that the economic slowdown will lead to a deterioration in the quality of the loan portfolio, with a consequent increase in the incidence of non-performing loans and the need to increase provisions in the income statement. Also, as a result, the Group's ability to generate revenues may be affected due to the weakening of demand for both financing and investment services and products from customers.

Any recessionary scenario would also therefore have negative impacts on: (i) commissions, with negative effects due to the volatility of financial markets, which are reflected in securities prices and on

the contribution from indirect deposits, operations and products placed; (ii) net interest income, which, in addition to the reduction in intermediated volumes, would suffer due to higher "funding" spreads and potential constraints on repricing; (iii) the result of securities portfolio management activities due to the aforementioned volatility of financial markets; and (iv) the fair value measurements of financial assets and liabilities, due to their lower market value.

*2.9. Counterparty Risks*

As part of its operations, the Group trades derivative contracts on a wide variety of underlying assets, such as interest rates, foreign exchange rates, prices in equity indices, commodity derivatives, and credit rights with counterparties in the financial services sector, commercial banks, government departments, financial and insurance companies, investment banks, funds, and other institutional clients, and with non-institutional clients.

For the purpose of mitigating the counterparty risk exposure, credit risk mitigation techniques (i.e. netting agreement, collateral agreement) are widely used in the Group, in compliance with the requirements set by current regulations. The Group also oversees the counterparty risk associated with derivative and repo transactions through the definition of guidelines and policies for management, measurement and monitoring differentiated according to counterparty characteristics.

In light of the above, the Group is exposed to the risk of default by its counterparties to derivative contracts, or that they become insolvent before the maturity of the relevant contract. This risk, which has been exacerbated as a result of the volatility of financial markets, may also arise in the presence of collateral, when any such collateral provided by the counterparty in favour of the Bank, or other Group company, against derivative exposures is not realized or settled at a value sufficient to cover the exposure with respect to the relevant counterparty.

*2.10. Risks related to the purchase and use of Superbonus/Ecobonus/Sismabonus tax credits*

The Group is exposed to the risk of non-recoverability of tax credits purchased for transactions under Article 121, of Law Decree No. 34/2020, as lastly amended by the Law Decree No. 39/2024.

As of 31 December 2025, the nominal amount of such tax credits is Euro 3,925.2 million (of which approximately Euro 3,396.1 million were acquired from the Issuer and approximately Euro 529.1 million from MBFacta S.p.A.). As of the same date, such receivables have already been offset for an amount of Euro 2,139.7 million; the remaining nominal amount (Euro 1,785.5 million) will be subject to recovery in subsequent annual instalments (up to a maximum of ten annual instalments). As at the date of this Base Prospectus, the recovery of the tax credits is expected to be completed by 2034 (however, approximately 85% of the receivables will be recovered by 2027).

The Issuer has purchased tax credits arising from transactions related to interventions in the construction sector (so-called "*superbonus*", "*ecobonus*", "*sismabonus*", "*bonus facciate*", etc.) in accordance with Article 121 of Law Decree No. 34/2020 ("*Urgent measures on health, support for labour and the economy, as well as social policies related to the epidemiological emergency from COVID-19*"), as lastly amended by the Law Decree No. 39/2024. According to such provisions, tax credits shall be used in order to offset payments of taxes and contributions (with effect from 1 January 2025 contributions cannot be offset, as a result of the changes introduced by the Law Decree No. 39/2024) due (the so-called "*tax capacity*") or shall be transferred to third parties for use by the transferees. Failure to use or transfer such tax credits within the terms provided by law results in a loss equal to the value not used or not transferred. Notwithstanding the controls and preliminary verifications provided by the relevant legislation – which aims at ascertaining the existence of all the requirements prescribed by law for the regular accrual of credits in the hands of taxpayers – that the Issuer carries out as part of the credit purchase process, the Issuer is subject to the risk of challenge by the tax authorities for alleged breach by the taxpayers from which the tax credits are originated. In

such circumstance, the Issuer would be subject to administrative sanctions and to joint and several liability for the payment of taxes and interest with the taxpayer.

It should be noted that if, for any reason, (i) significant changes in the current tax legislation were to occur or (ii) the payments on which to offset were less than the amount of the credits acquired, and the credits acquired in excess of the offsetting "tax capacity" were not sold to third parties in a timely manner or (iii) joint responsibility arose for breach by the taxpayers, or, (iv) credits were purchased despite the fact that there are situations for which the conditions set forth in Articles 35 ("*obligation to report suspicious transactions*") and 42 ("*abstention*") of Legislative Decree 231/2007 apply, then the value of the purchased tax credit, which was not to be recovered would have to be charged to loss, with negative effects on the Issuer's economic, asset and/or financial situation.

*2.11. Risks related to the territorial concentration of the Group's activities*

The operations of Group's commercial network show a concentration of branches and volumes of deposits and loans in the Tuscan administrative region. In terms of market shares (based on customers' residence), Tuscany accounts for 16.9% for loans (compared with 7.3% for Italy as a whole) and 14.7% for deposits (compared with 5.5% for Italy as a whole) as of December 2025, values significantly higher than those of the other administrative regions. Similarly to the Italian banking system, the Group is also strongly rooted in the Lombardy administrative region, where, in terms of incidence on total volumes of loans and deposits, the territory weighs about 22-24% (compared with 24-26% for the whole Italian banking system).

In light of the above, it cannot be excluded that the specific regional context may change and deteriorate, even in relative terms compared to the trend of the national economy, with possible negative effects on the Group's activities and economic, equity and/or financial situation. Adverse changes in credit quality of the Issuer's borrowers and counterparties, particularly concentrated in the region of Tuscany, could affect the recoverability and value of the Issuer's assets and require an increase in impairment provisions for bad and doubtful loans and other provisions. Nevertheless, the effects of unfolding climate changes (for example the flood that hit some areas of the region in November 2023) and the growing frequency of damaging climate events could also have negative impacts on the Bank's activity in Tuscany. Finally, the Lombardy administrative region is relevant for the whole Italian banking system as well as for the Group, therefore the deterioration of its regional context could also affect the Group.

*2.12. Risks related to supervisory authority investigations*

Since the Issuer carries out banking activities and provides investment services, it is subject to extensive regulation and supervision by, among others, the ECB, Bank of Italy, and CONSOB, each for the aspects under its jurisdiction.

The regulatory authorities, in the exercise of their supervisory powers, subject the Issuer to various ordinary and extraordinary inspection and/or verification activities in order to carry out their prudential supervisory tasks and to assure that the credit institution is equipped with appropriate capital and organizational safeguards with respect to the risks assumed, ensuring the overall management balance.

In light of the foregoing, the Group is exposed to the risk that as a result of the aforementioned inspections and/or verification activities, procedural deficiencies may emerge that could imply the need to take organizational actions and reinforce safeguards aimed at addressing these deficiencies.

For a description of the inspection activities and procedures carried out by the relevant supervisory authorities on the Issuer and the other companies of the Group as part of their normal banking activity, please refer to the "Inspection activities and procedures of the Supervisory Authorities" paragraph of the 2024 Consolidated Financial Statements and to the "Inspection activities and procedures of the

Supervisory Authorities" paragraph of the 2025 Consolidated Financial Statements, available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

*2.13. Risks related to Sanctioned Countries*

The Issuer and the Group have customers and partners located and/or operating with entities in various countries around the world, some of which are, or may become, subject to sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other agency of the US government, the United Nations, the European Union, any Member State of the European Union or the United Kingdom (respectively the "**Sanctions**" and "**Sanctions Authorities**") and/or comprehensive country-wide or territory-wide Sanctions (including without limitation those imposed to Cuba, the Crimea region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, the non-government controlled areas of Kherson and Zaporizhzhia, Iran, North Korea and Syria (the "**Sanctioned Countries**"). Such measures may limit the ability of the Issuer and/or the Group to maintain their operations with such customers and partners in the future.

As at the date of this Base Prospectus, the Bank carries out commercial transactions with a limited number of customers which are the subject of Sanctions and/or private and state-owned banks with registered addresses in Sanctioned Countries. All such commercial transactions have been, and will be, conducted in full compliance with all Sanctions laws and regulations applicable to the Bank (including Council Regulation (EC) No 2271/96 of 22 November 1996, the so-called "Blocking Regulation").

The Bank has adopted and maintains in place Sanctions-related policies and procedures for the purpose of ensuring compliance with all Sanctions laws and regulations applicable to the Bank. Neither the Bank nor the Group maintains any operating or active physical presence in Sanctioned Countries and the Bank's existing activities as described above are conducted solely through the use of correspondent banking relationships. The Bank and/or the Group do not otherwise engage in any other material business with persons or entities subject to Sanctions and promptly takes any necessary action in the event that any of its counterparties and/or customers become the subject of Sanctions. In light of the strengthening of the approach of the Sanctions Authorities, it cannot be excluded that counterparties and/or customers of the Bank and/or the Group located outside Sanctioned Countries may be the subject of Sanctions. In these circumstances, the Bank and/or the Group, in accordance with its Sanctions-related policies and procedures, further to any necessary preliminary investigations, promptly adopts all the necessary actions for the purpose of ensuring compliance with Sanctions laws and regulations applicable to the Bank. As at the date of this Base Prospectus, the overall exposure of the Bank vis-à-vis customers and/or counterparties subject to Sanctions is negligible and lower than 1% of the consolidated revenues of the Group as at 31 December 2025.

In addition, it should be noted that the Group operates in compliance with the sanctions regime imposed on the Russian Federation since 2014, including the new financial and economic sanctions including those implemented by Sanctions Authorities, where applicable, against the Russian Federation and certain Russian organisations and/or individuals (the "**Russia Sanctions**"), constantly adapting its operations to the international development on this matter. In fact, since the beginning of the Russia's invasion of Ukraine in February 2022, the operations of the Group in the Russian Federation have drastically decreased and are likely to reduce further in case the Russia Sanctions should be maintained or strengthened.

The Groups' ability to engage in activity with certain customers and institutional businesses in the above mentioned Sanctioned Countries or, more generally, involving certain businesses and customers, is dependent in part upon whether such engagements are restricted under any current or future Sanctions and may be discontinued in light of any developments.

Notwithstanding the foregoing, if the Group's counterparties or the Group itself were to be subject to Sanctions, the investigation costs, remediation required and/or payments or other legal liabilities incurred could potentially adversely affect the net assets and results of operations of BMPS. Such an adverse outcome could have a material adverse effect on the Group's reputation and business, results of operations or financial condition.

## 3. Risk factors related to the legal and regulatory framework of the sector of business in which the Issuer and the Group operate

### *3.1. Risks associated with uncertainty about the future results of stress tests or asset quality review exercises*

The Single Supervisory Mechanism (the "**SSM**") is responsible for the prudential supervision of all credit institutions in participating member states and ensures that the EU policy on the prudential supervision of credit institutions is implemented consistently and effectively and that credit institutions are subject to the highest quality of supervision. In this context, the ECB has been entrusted with specific prudential supervisory tasks over credit institutions by, among other things, providing for the possibility for credit institutions to conduct, where appropriate in coordination with the European Banking Authority ("**EBA**"), stress tests (supervisory stress tests) to ascertain whether the measures, strategies, processes and mechanisms put in place by credit institutions and the own funds they hold would enable sound risk management and hedging in dealing with future, but plausible, adverse events. The stress tests are designed to serve as inputs to the SREP: the outcome of the SREP could result in an additional own funds requirement, as well as other qualitative and quantitative measures. Should the supervisory authorities impose additional requirements or adopt interpretations of the regulatory provisions governing prudential funds requirements that are unfavourable to the Issuer, its ability to meet such requirements could be materially impaired, with consequent adverse effects on its capital adequacy, economic and financial conditions, and dividend distribution capacity.

The EBA conducted an EU-wide stress test for 2025 *(the "**2025 Stress Test**")* aimed at assessing the resilience of the European banking sector, including the Group. The results are available on the EBA website (https://www.eba.europa.eu/risk-and-data-analysis/risk-analysis/eu-wide-stress-testing).

On 1 August 2025, the EBA announced the results of the 2025 *Stress Test* to which Banca MPS was subject. Such test was conducted by the EBA, in cooperation with the ECB and the European Systemic Risk Board (the "**ESRB**"). The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2025-2027). The 2025 Stress Test has been carried out applying a static balance sheet assumption as of December 2024 and a number of constraints to the profit and loss accounts. The results, best ever in the Group's stress test exercises, have confirmed the strong solidity achieved by the Group and its capability to generate sustainable profitability, proven also by the positive net results in years 2026 and 2027 even in the adverse scenario, considering the human resources cost savings. For further information, please refer to paragraph "*2025 EU-Wide Stress Test*" under sub-section "*3.2 Recent Developments*" of the "*Banca Monte dei Paschi di Siena S.p.A.*" section of this Base Prospectus.

In December 2025, the ECB launched a thematic geopolitical risk stress test to assess banks' own risk management capabilities and their ability to effectively integrate this risk into their risk management frameworks. The Issuer has been selected to participate in this reverse stress testing exercise, which covers 110 banks directly supervised by the ECB, as an integral component of banks' ICAAP activities. The exercise follows a "reverse stress test" approach, requiring each bank to identify a geopolitical risk scenario that could lead to a depletion of at least 300 basis points in its Common Equity Tier 1 (CET1) capital. Banks are required to outline the actions they would take to mitigate such impact. To date no final feedback has been given by the Supervisor.

*3.2. Risks related to changes in banking and financial sector regulations and additional regulations to which the Group is subject*

The Group is subject to compliance with a complex set of regulations and supervision by, among others, the Bank of Italy, CONSOB and, from 4 November 2014, the ECB, which is entrusted, pursuant to the regulations establishing the SSM, with the task of, inter alia, ensuring the homogeneous application of the regulatory provisions of the Euro Area and is responsible for the prudential supervision of all "significant" credit institutions in the participating member states. Supervision by the aforementioned authorities covers various areas of the Issuer's and the Group's activities and may concern, among other things, levels of liquidity, capital adequacy and leverage, regulations on transactions with related parties and connected persons, prevention and combating of money laundering, protection of privacy, transparency and fairness in customer relations, and reporting and record-keeping obligations.

Any changes in the regulations, or even in the manner in which they are applied, as well as the possibility that the Issuer and/or Group companies fail to ensure compliance with the applicable regulations, could result in adverse effects on the Bank's and/or Group's activities, assets, liabilities, and financial position, as well as on the products and services they offer.

It should be noted that simulations run so far did not evidence increase in risk-weighted assets, therefore the impact of this risk is considered not material.

Moreover, with the thirty-eight update of Circular No. 285 of 17 December 2013, the Bank of Italy introduced the authority to set a systemic risk buffer ("**SyRB**"). In this regard, the Bank of Italy decided to apply a SyRB equal to 1.0 per cent. of credit and counterparty risk-weighted exposures to Italian residents to all banks authorized to operate in Italy. The SyRB is to be applied at both the consolidated and the individual level.

## RISKS RELATED TO COVERED BONDS

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

*1. Risks related to Covered Bonds generally;*

*2. Risks related to the Guarantor;*

*3. Risks related to the underlying; and*

*4. Risks related to the market generally.*

### *1. Risks related to Covered Bonds generally*

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

The Issuer is liable to make payments when due on the Covered Bonds. The obligations of the Issuer under the Covered Bonds are direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and equally with its other direct, unsecured, unconditional and unsubordinated obligations.

The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Guarantee until the occurrence of an Issuer Event of Default, after the service by the Representative of the Bondholders on the Issuer and on the Guarantor of a Guarantee Enforcement Notice. The occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default.

However, failure by the Guarantor to pay amounts due under the Guarantee would constitute a Guarantor Event of Default which would entitle the Representative of the Bondholders to accelerate the obligations of the Issuer under the Covered Bonds (if they have not already become due and payable) and the obligations of the Guarantor under the Guarantee. Although certain of the Eligible Assets included in the Cover Pool are originated by the Issuer, they are transferred to the Guarantor on a true sale basis and an insolvency of the Issuer would not automatically result in the insolvency of the Guarantor.

#### *1.2. Obligations under the Covered Bonds*

The Covered Bonds will not represent an obligation or be the responsibility of any of the Joint-Arrangers, the Dealers, the Representative of the Bondholders or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and, after the service by the Representative of the Bondholders of a Guarantee Enforcement Notice, the Guarantor. The Issuer and the Guarantor will be liable solely in their corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

#### *1.3. Extendible obligations under the Guarantee*

The Guarantor's obligations under the Guarantee to pay the Guaranteed Amounts of the relevant Series of Covered Bonds on their Maturity Date may be deferred pursuant to the Conditions until the Extended Maturity Date. Such deferral will occur automatically:

(a) in respect of a Series of Covered Bonds (each such Series, a Pass Through Series) if (i) a Guarantee Enforcement Notice has been served on the Issuer and the Guarantor as a result of the Issuer having failed to pay, in whole or in part, the Guaranteed Amounts on the Maturity Date for such Series of Covered Bonds and, on the relevant Extension Determination Date, the Guarantor has insufficient funds to pay, in accordance with the Guarantee Priority of Payments, the Guaranteed Amounts in respect of such Series of Covered Bonds, or (ii) a Guarantee Enforcement Notice has been served on the Issuer and the Guarantor following the occurrence of an Issuer Event of Default (other than the Issuer Event of Default referred to in paragraph (i) above) and, on the Maturity Date for such Series of Covered Bonds, the

Guarantor has insufficient funds to pay, in accordance with the Guarantee Priority of Payments, the Guaranteed Amounts in respect of such Series of Covered Bonds; and

(b) in respect of all Series of Covered Bonds, which all become Pass Through Series, if, on any Test Calculation Date following the service of a Guarantee Enforcement Notice (and, in case of a Guarantee Enforcement Notice delivered as a result of an Article 74 Event, prior to the service of an Article 74 Event Cure Notice), the Test Calculation Agent notifies, through the Test Performance Report, the Issuer, the Sellers, any Additional Seller and the Guarantor that the Amortisation Test is not met.

To the extent that the Guarantor has received a Guarantee Enforcement Notice insufficient time and has sufficient moneys available to pay in part the Guaranteed Amounts corresponding to the relevant Final Redemption Amount in respect of the relevant Series or Tranche of Covered Bonds, the Guarantor shall make partial payment of the relevant Final Redemption Amount in accordance with the Guarantee Priority of Payments and as described in Condition 9 (*Redemption and Purchase*) and payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date or the Maturity Date (as the case may be) may be paid by the Guarantor on any Guarantor Payment Date thereafter, up to (and including) the relevant Extended Maturity Date, in accordance with the applicable Priority of Payments. The Extended Maturity Date will fall on the date provided under the relevant Final Terms, which could be the Long Due for Payment Date.

Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 9 (*Redemption and Purchase*) and the Guarantor will pay Guaranteed Amounts, constituting interest due on each Guarantor Payment Date and on the Extended Maturity Date. In these circumstances, except where the Guarantor has failed to apply money in accordance with the Guarantee Priority of Payments, failure by the Guarantor to make payment in respect of the Final Redemption Amount on the Maturity Date (subject to any applicable grace period) (or such later date within the applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay the Guaranteed Amounts corresponding to the Final Redemption Amount on or the balance thereof or prior to the Extended Maturity Date and/or Guaranteed Amounts constituting interest on any Guarantor Payment Date will (subject to any applicable grace periods) be a Guarantor Event of Default.

*1.4. Bondholders are bound by Extraordinary Resolutions and Programme Resolution*

A meeting of Bondholders may be called to consider matters which affect the rights and interests of Bondholders. These include (but are not limited to): instructing the Representative of the Bondholders to take enforcement action against the Issuer and/or the Guarantor; waiving an Issuer Event of Default or a Guarantor Event of Default; cancelling, reducing or otherwise varying interest payments or repayment of principal or rescheduling payment dates; extending the Test Remedy Period; altering the priority of payments of interest and principal on the Covered Bonds; and any other amendments to the Programme Documents. Certain resolutions are required to be passed as Programme Resolutions, passed at a single meeting of all holders of Covered Bonds, regardless of Series. A Programme Resolution will bind all Bondholders, irrespective of whether they attended the Meeting or voted in favour of the Programme Resolution. No Resolution, other than a Programme Resolution, passed by the holders of one Series of Covered Bonds will be effective in respect of another Series unless it is sanctioned by an Ordinary Resolution or an Extraordinary Resolution, as the case may require, of the holders of that other Series. Any Resolution passed at a Meeting of the holders of the Covered Bonds of a Series shall bind all other holders of that Series, irrespective of whether they attended the Meeting and whether they voted in favour of the relevant Resolution.

In addition, the Representative of the Bondholders may agree to the modification of the Programme Documents without consulting the Bondholders to correct a manifest error or an error established as such to the satisfaction of the Representative of the Bondholders or where such modification (i) is of a

formal, minor, administrative or technical nature or to comply with mandatory provisions of law, including Law 130 and the Bank of Italy Regulations, as amended and supplemented from time to time, and the relevant implementation or (ii) in the sole opinion of the Representative of the Bondholders is expedient to make, is not or will not be materially prejudicial to Bondholders of any Series or Tranche.

It shall also be noted that after the delivery of a Guarantee Enforcement Notice, the protection and exercise of the Bondholders' rights against the Issuer will be exercised by the Guarantor (or the Representative of the Bondholders on its behalf). The rights and powers of the Bondholders may only be exercised in accordance with the Rules of the Organisation of the Bondholders. In addition, after the delivery of a Guarantor Default Notice, the protection and exercise of the Bondholders' rights against the Guarantor and the security under the Guarantee is one of the duties of the Representative of the Bondholders. The Conditions limit the ability of each individual Bondholder to commence proceedings against the Guarantor by conferring on the meeting of the Bondholders the power to determine in accordance with the Rules of Organisation of the Bondholders, whether any Bondholder may commence any such individual actions.

*1.5. Representative of the Bondholders' powers may affect the interests of the holders of the Covered Bonds*

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

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Representative of the Bondholders is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series or Tranche would be materially prejudiced thereby, the Representative of the Bondholders shall not exercise such power, trust, authority or discretion without the approval of such holders of the Covered Bonds by Extraordinary Resolution or by a direction in writing of such holders of the Covered Bonds of at least 75 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series or Tranche then outstanding.

*1.6. Priority of Payments*

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

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc.'s ("**LBSF**") motion for summary judgement on

the basis that the effect was that the provisions infringed the antideprivation principle in a U.S. insolvency. Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". In New York, whilst leave to appeal was granted, the case was settled before an appeal was heard.

This is an aspect of cross border insolvency law which remains untested. Whilst the priority issue is considered largely resolved in England and Wales, concerns still remain that the English and the U.S. courts may diverge in their approach which, in the case of an unfavourable decision in the U.S. may adversely affect the Issuer's ability to make payments on the Covered Bonds.

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

Additionally, there can be no assurance as to how such subordination provisions would be viewed in other jurisdictions such as Italy or whether they would be upheld under the insolvency laws of any such relevant jurisdiction. If a subordination provision included in the Programme Documents was successfully challenged under the insolvency laws of any relevant jurisdiction and any relevant foreign judgement or order was recognised by the Italian courts, there can be no assurance that these actions would not adversely affect the rights of the Bondholders, the rating of the Covered Bonds, the market value of the Covered Bonds and/or the ability of the Issuer to satisfy all or any of its obligations under the Covered Bonds.

### *1.7. Ratings of the Covered Bonds*

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

The ratings that may be assigned by Moody's to the Covered Bonds address the expected loss posed to the Bondholders following a default. The ratings that may be assigned by Fitch to the Covered Bonds incorporate both an indication of the probability of default and the probability of recovery following a default of such debt instrument. The ratings that may be assigned by Morningstar DBRS to the Covered Bonds evaluates both qualitative and quantitative factors when assigning ratings.

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

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

In general, European regulated investors are restricted from using credit ratings for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation, unless (1) the rating is provided by a credit rating agency not established in the European Union but endorsed by a credit rating agency established in the European Union and registered under the EU CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the European Union which is certified under the EU CRA Regulation. In general, UK

regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation, unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

*1.8. Covered Bonds issued under the Programme*

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

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share in the security granted by the Guarantor under the Guarantee. Following the service on the Issuer and on the Guarantor of a Guarantee Enforcement Notice (but prior to a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor) the Guarantor will use all monies to pay Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment subject to paying certain higher ranking obligations of the Guarantor in the Guarantee Priority of Payments. In such circumstances, the Issuer will only be entitled to receive payment from the Guarantor of interest, Premium and repayment of principal under the Term Loans granted, from time to time, pursuant to the Subordinated Loan Agreement, after all amounts due under the Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for. Following the occurrence of a Guarantor Event of Default and service of a Guarantor Default Notice on the Guarantor, the Covered Bonds will become immediately due and repayable and Bondholders will then have a claim against the Guarantor under the Guarantee for an amount equal to the Principal Amount Outstanding plus any interest accrued in respect of each Covered Bond, together with accrued interest and any other amounts due under the Covered Bonds, and any Guarantor Available Funds will be distributed according to the Post-Enforcement Priority of Payments.

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

(a) any Term Loan granted by the Issuer and/or any Additional Seller(s) to the Guarantor under the terms of the Subordinated Loan Agreements, may only be used by the Guarantor (i) as consideration for the acquisition of Eligible Assets from the Principal Seller, or any Additional Seller(s) pursuant to the terms of the Master Assets Purchase Agreement and the Cover Pool Management Agreement; (ii) in certain specific circumstances and in respect of the Floating Interest Term Loan or Fixed Interest Term Loan, for the purpose of reimbursing (also in part) any Term Loan for an amount equal to the Corresponding Series or Tranche of Covered Bonds; and (iii) to credit on the Reserve Account an amount, or establishing a cash reserve, sufficient to remedy a breach of the Liquidity Reserve Requirement; and

(b) the Issuer must always ensure that the Mandatory Tests, the Asset Coverage Test (or, following the delivery of a Guarantee Enforcement Notice, the Amortisation Test) and the Liquidity Reserve Requirement are satisfied on each Test Calculation Date or, as applicable, Quarterly Test Calculation Date (when required by Programme Documents) in order to ensure that the Guarantor can meet its obligations under the Guarantee; and

(c) on or prior to the date of issue of any further Series or Tranche of Covered Bonds, the Issuer will be obliged within the limits of the criteria of the relevant Rating Agency from time to time involved, to obtain a Rating Agency confirmation.

*1.9. Controls over the transaction*

The Bank of Italy Regulations require certain controls to be performed by the Issuer aimed at, *inter alia*, mitigating the risk that any obligation of the Issuer or the Guarantor under the Covered Bonds is not complied with. Whilst the Issuer believes it has implemented the appropriate policies and controls in compliance with the relevant requirements, investors should note that there is no assurance that such compliance ensures that the aforesaid controls are actually performed and that any failure to properly implement the respective policies and controls could have an adverse effect on the Issuers' or the Guarantor's ability to perform their obligations under the Covered Bonds.

*1.10. Changes of law*

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

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

(i) Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (the "**Directive**"); and

(ii) Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds (the "**Regulation**").

The Regulation and the Directive amend certain provisions of the CRR on covered bonds and introduce standards on the issuance of covered bonds and covered bond public supervision. More in particular, the new Regulation makes certain amendments to the CRR to strengthen the quality of the covered bonds eligible for favourable capital treatment, and the new Directive aims to harmonize the regulation and treatment of covered bonds across Member States. The Regulation applies from 8 July 2022.

On 10 February 2022, the European Commission adopted the Delegated Regulation amending liquidity coverage rules for covered bond issuers amending Delegated Regulation (EU) 2015/61 (the "**LCR Delegated Regulation**") to supplement the CRR on the Liquidity Coverage Ratio (LCR) requirements. The LCR Delegated Regulation is applicable since 8 July 2022 to all credit institutions, including those issuing covered bonds, and it permits credit institutions to treat liquid assets held as part of the cover pool liquidity buffer as unencumbered up to the amount of net liquidity outflows from the associated covered bond programme.

On 8 May 2021, the Law No. 53 of 22 April 2021 (the "**European Delegated Law 2019-2020**") has entered into force. It delegated the Italian Government to implement – inter alia – Directive (EU) 2019/2162.

The Directive (EU) 2019/2162 has been transposed into the Italian legal framework by Decree 190/2021, which designated the Bank of Italy as the competent authority for the public supervision of the covered bonds, which was entrusted with the issuing of the implementing regulations of Title I-bis of Law 130, as amended, in accordance with article 3, paragraph 2, of Decree 190/2021. In this

respect, the provisions of Law 130, as amended by Decree 190/2021, apply to covered bonds issued starting from 8 July 2022.

On 20 December 2023, the Directive (EU) 2023/2864 was published in the European Official Journal of the European Union and entered into force on the twentieth day following publication. The purpose of the Directive (EU) 2023/2864 is amending, *inter alia*, the Directive for the purpose of harmonizing the disclosure requirements for the public information that should be accessible through European single access point ("**ESAP**"). The scope of data accessible via the ESAP will include information published by entities under existing EU financial services legislation, with a phased approach. The ESAP will enable any entity, in particular SMEs, to file relevant information voluntarily.

Moreover, following a public consultation launched by the Bank of Italy on 12 January 2023 and ended on 11 February 2023, on 30 March 2023 Bank of Italy issued the 42nd amendment to the Bank of Italy Regulations, providing for the implementing measures referred to under article 3, paragraph 2, of Decree 190/2021. Such amendment to the Bank of Italy Regulations provided for, inter alia, the definition of (i) the criteria for the assessment of the eligible assets and the conditions for including covered bonds among eligible assets for derivative contracts with hedging purposes; (ii) the procedures for calculating hedging requirements; (iii) the conditions establishing new issuance programmes and the interim discipline regarding new issues under issuance programmes already existing as of 30 March 2023; (iv) the possibility also to banks that qualify for credit quality step 3 to act as counterparties of a derivative contract with hedging purposes.

In accordance with the Bank of Italy Regulations, as amended on 30 March 2023, the Bank of Italy did not exercise the option provided for in the Directive (EU) 2019/2162 that allows Member States to lower the threshold of the minimum level of overcollateralization.

In addition, following the introduction of CRR III, on 27 August 2025, the Bank of Italy issued the 50th amendment to the Bank of Italy Regulations, which came into force on 28 August 2025, implements CRR III into the Italian regulatory framework and containing guidance regarding the exercise of national discretions. Among other things, the Bank of Italy has chosen not to exercise the discretion under Article 129(3) of the CRR regarding covered bonds and the criteria for valuing immovable property used as collateral for mortgage loans in the cover pool, pursuant to which competent authorities may allow immovable property to be valued at or at less than the market value, or, in those Member States that have laid down rigorous criteria for the assessment of the mortgage lending value in statutory or regulatory provisions, at the mortgage lending value of that property.

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

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

*1.11. Tax changes may affect the tax treatment of the Covered Bonds*

Law No. 111 of 9 August 2023, as lastly amended by law No. 120 of 8 August 2025 ("**Law 111**"), delegates power to the Italian government to enact, within thirty-six months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "T**ax Reform**").

According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

The information provided in this Base Prospectus may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realised under the Covered Bonds and could result in a lower return of their investment.

Prospective investors should consult their own tax advisors regarding the tax consequences described above.

*1.12. Tax consequences of holding the Covered Bonds - No Gross-up for Taxes*

Potential investors should consider the tax consequences of investing in the Covered Bonds and consult their tax adviser about their own tax situation. Notwithstanding anything to the contrary in this Base Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Issuer or, as the case may be, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Bondholders, as the case may be. The Issuer shall be obliged to pay an additional amount pursuant to Condition 11 (*Taxation*) subject to customary exceptions including Decree No. 239 withholdings. Neither the Issuer nor the Guarantor shall be obliged to pay any additional amounts to the Bondholders or to gross up in relation to withholdings or deductions on payments made by the Guarantor. As a result, investors may receive amounts that are less than expected. Perspective investors should therefore be aware of the potential negative result of such lack of gross-up or compensation by the Issuer and the Guarantor on the expected amounts to be received by the Bondholders.

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

*1.13. Law 130*

Law 130 was enacted in Italy in April 1999 and further amended to allow for the issuance of covered bonds in 2005. As at the date of this Base Prospectus, no interpretation of the application of Law 130 as it relates to covered bonds has been issued by any Italian court or governmental or regulatory authority, except for Part III, Chapter 3 of the "*Disposizioni di Vigilanza per le Banche*" (*Circolare No. 285 of 17* December *2013*) as amended and supplemented from time to time (the "**Bank of Italy Regulations**") concerning guidelines on, among others, the valuation of assets, controls required to ensure compliance with the legislation, the liquidity reserve and the requirements for applying for the "European Covered Bond (Premium)" label.

Consequently, it is possible that such or different authorities may issue further regulations relating to Law 130 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus. Any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Issuer, with possible negative impacts on the operational results and the economic and financial situation of the Issuer and of the Programme.

Furthermore, Law 130 has been amended by legislative decree No. 190 of 5 November 2021 (the "**Decree 190/2021**"), which transposed into the Italian legal framework Directive (EU) 2019/2162 and designated the Bank of Italy as the competent authority for the public supervision of the covered bonds, which was entrusted with the issuing of the implementing regulations of the Title I-bis of Law 130, as amended, in accordance with article 3, paragraph 2, of Decree 190/2021. In this respect, the provisions of Law 130, as amended by Decree 190/2021, apply to covered bonds issued starting from 8 July 2022.

For further information in such regard, please refer to the risk factor headed "*Changes of law*" above.

Consequently, given the novelty amendments to the Bank of Italy Regulations and Law 130, it is possible that the issuance of further guidelines or implementing regulations relating to Law 130 and the Bank of Italy Regulations, or the interpretation thereof, may have an impact which cannot be predicted by the Issuer as at the date of this Base Prospectus. Furthermore, with respect to any Series of Covered Bonds issued under the Programme before the publication of the Decree 190/2021, it is uncertain to assess the possible impacts which Law 130 and the Bank of Italy Regulations, as amended, may have.

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

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

(a) Covered Bonds subject to optional redemption by the Issuer

If in the case of any particular Tranche of Covered Bonds the relevant Final Terms specifies that the Covered Bonds are redeemable at the Issuer's option pursuant to Condition 9(d) (*Redemption at the option of the Issuer*), the Issuer may choose to redeem the Covered Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Covered Bonds.

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. Further, during any period in which there is an actual or perceived increase in the likelihood that the Issuer may redeem the Covered Bonds, the price of the Covered Bonds may also be adversely impacted. This also may be true prior to any redemption period.

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

(b) Zero Coupon Covered Bonds

The Issuer may issue Covered Bonds bearing no interest, which may be offered and sold at a discount to their nominal amount. A holder of a zero coupon covered bond may experience price volatility in response to changes in the market interest rate. Prices of zero coupon Covered Bonds tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such Covered Bonds, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

(c) Amortising Covered Bonds

The Issuer may issue amortising Covered Bonds with a predefined, prescheduled amortisation schedule where, alongside interest, the Issuer will pay, at each Interest Payment Date specified in the relevant Final Terms, a portion of principal until maturity.

(d) Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

*1.15. Redemption for tax reasons*

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Covered Bonds due to any withholding or deduction for or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any taxing jurisdiction (as referred to in Condition 11 (*Taxation*)), as a result of any change in, or amendment to, the laws or regulations of any taxing jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Series of the Covered Bonds and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Covered Bonds in accordance with the Terms and Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Covered Bonds.

*1.16. Floating rate risks*

Investment in Floating Rate Covered Bonds involves the risk for the Bondholders of fluctuating interest rate levels and uncertain interest earnings.

*1.17. Regulation of benchmarks may lead to future reforms or discontinuation*

The Euro Interbank Offered Rate ("**EURIBOR**") and interest rates or other typer of rates and indices which are deemed "benchmarks" have been subject to significant scrutiny and legislative intervention in recent years. Most reforms have now reached their planned conclusion (including the transition away from LIBOR), and "*benchmarks*" remain subject to ongoing monitoring. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) 2016/1011 (as amended from time to time, the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) 2016/1011, as it forms part of domestic law of the United Kingdom by virtue of the EUWA (as amended from time to time, the "**UK Benchmarks Regulation**") among other things, applies to the provision of contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Covered Bonds linked to EURIBOR or another benchmark, rate or index, for example, if the methodology or other terms of the "benchmark" are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or the UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator

to be “no longer representative”. Such factors (among other things) could have the effect of reducing, increasing or may affect the volatility of the published rate or level of the relevant "benchmark".

The euro risk free-rate working group for the euro area has also published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Furthermore, in order to address systemic risk, on 13 February 2021 Regulation (EU) 2021/168 amending the Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation and amending Regulation (EU) No 648/2012 entered into force. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Regulation 2016/2011, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

On 19 May 2025, Regulation (EU) 2025/914 of 7 May 2025 amending the EU Benchmarks Regulation was published in the Official Journal of the European Union. The amending regulation introduced changes concerning, inter alia, the scope of the rules applicable to benchmarks, the use within the Union of benchmarks provided by administrators located in third countries, and certain reporting requirements. Regulation (EU) 2025/914 entered into force on 8 June 2025 and applies from 1 January 2026.

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the €STR or an alternative benchmark.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark, (ii) triggering changes in the rules or methodologies used in the benchmarks, and/or (iii) leading to the disappearance of the benchmark.

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

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Covered Bonds which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Covered Bonds.

*1.18. Interest rate "fallback" arrangements may lead to Covered Bonds performing differently or the effective application of a "fixed rate"*

The terms and conditions of the Covered Bonds provide that, if the Issuer determines that the relevant Reference Rate specified in the relevant Final Terms has ceased to be published on the relevant Screen Page, or a Benchmark Disruption Event occur (even if the rate continues to be published), when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the purposes of determining a Successor Rate or an Alternative Reference Rate (as further described in Condition 7 (*Benchmark Replacement*) of the Terms and Conditions of the Covered Bonds and, if applicable, an Adjustment Spread. If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine the Successor Rate or Alternative Reference Rate, the Issuer may determine the replacement rate, provided that if the Issuer is unable or unwilling to determine the Successor Rate or Alternative Reference Rate, the further fallbacks described in the Terms and Conditions of the Covered Bonds shall apply. In certain circumstances, including but not limited to where the Issuer is unable or unwilling to determine an Alternative Reference Rate, the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest of the last preceding Interest Period being used. This may result in effective application of a fixed rate of interest for Covered Bonds initially designated to be Floating Rate Covered Bonds. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. The use of a Successor Rate or an Alternative Reference Rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the Covered Bonds if the relevant benchmark remained available in its current form. Furthermore, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser fails to determine a Successor Rate or an Alternative Reference Rate or Adjustment Spread, if applicable with the Independent Adviser, the Issuer may have to exercise its discretion to determine (or to elect not to determine) an Alternative Reference Rate or Adjustment Spread, if applicable in a situation in which it is presented with a conflict of interest. In addition, while any Adjustment Spread may be expected to be designed to eliminate or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Covered Bonds may not do so and may result in the Covered Bonds performing differently (which may include payment of a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form.

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

*1.19. European Covered Bond (Premium) Label*

The Covered Bonds to be issued under this Base Prospectus are intended to be labelled as “European Covered Bond (Premium)”, as set out in Article 7-viciesbis of Law 130, provided that the Covered Bonds are in compliance with Law 130, the Bank of Italy Regulations and the CRR, and the Cover Pool comprises only assets listed in Article 129(1) of the CRR (and the requirements under paragraphs 1a to 3 of Article 129 of the CRR are met). Given that the labelling of the Covered Bonds as “European Covered Bond (Premium)” depends on the fulfilment of legal requirements under Law 130 and the CRR, investors should consider, amongst other things, any regulatory impacts when deciding whether or not to purchase any Covered Bonds and assess autonomously the compliance of the Covered Bonds with the applicable regulatory framework at the time when the relevant investment is made and at any time thereafter. No assurance or representation is given as to the assets that comprise the Cover Pool (including, without limitation, whether such assets comply with Article 129(1) of the CRR) nor as to any label assigned to any Series of Covered Bonds (including, without limitation, where such Covered Bonds

are labelled as "European Covered Bond (Premium)". Furthermore, no assurance is given whether Covered Bonds labelled as European Covered Bond (Premium) will continue to maintain such label even after their issuance.

## *2. Risks related to the Guarantor*

### *2.1. Guarantor only obliged to pay Guaranteed Amounts when they are Due for Payment*

The Guarantor has no obligation to pay any Guaranteed Amounts payable under the Guarantee until the delivery of an Issuer Default Notice, which may be delivered after the occurrence of (i) an Issuer Event of Default or (ii) a Resolution Event, unless the Issuer has fulfilled its payment obligations under the Covered Bonds by the relevant payment date. Such provision complies with Article 5 of the Directive (EU) 2019/2162, pursuant to which the payment obligations attached to Covered Bonds are not subject to automatic acceleration (which would be the case if a Guarantor Default Notice is delivered) upon the insolvency or resolution of the Issuer. Following service of a Guarantee Enforcement Notice on the Issuer and the Guarantor, under the terms of the Guarantee the Guarantor will only be obliged to pay Guaranteed Amounts as and when the same are Due for Payment, **provided that**, in the case of any amounts representing the Final Redemption Amount due and remaining unpaid as at the original Maturity Date, the Guarantor may pay such amounts in accordance with the applicable Priority of Payments on any Guarantor Payment Date thereafter, up to (and including) the Extended Maturity Date. Such Guaranteed Amounts will be paid subject to and in accordance with the Guarantee Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. In such circumstances, the Guarantor will not be obliged to pay any other amounts in respect of the Covered Bonds which become payable for any other reason.

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

In accordance with article 7-*bis* of Law 130, prior to and following a winding up of the Guarantor and an Issuer Event of Default or Guarantor Event of Default causing the Guarantee to be called, proceeds of the Cover Pool paid to the Guarantor will be exclusively available for the purpose of satisfying the obligations owed to the Bondholders, to the Other Guarantor Creditors and to any other creditors exclusively in satisfaction of the transaction costs of the Programme. The Cover Pool may not be seized or attached in any form by creditors of the Guarantor other than the entities referred to above, until full discharge by the Guarantor of its payment obligations under the Guarantee or cancellation thereof.

### *2.2. Limited resources available to the Guarantor*

Following the service of a Guarantee Enforcement Notice on the Issuer and on the Guarantor, the Guarantor will be under an obligation to pay the Bondholders and shall procure the payment of the Guaranteed Amounts when they are due for payment. The Guarantor's ability to meet its obligations under the Guarantee will depend on (a) the amount of interest and principal generated by the Cover Pool and the timing thereof, (b) amounts received from the Swap Providers and (c) the proceeds of any Eligible Investments. The Guarantor will not have any other source of funds available to meet its obligations under the Guarantee.

If a Guarantor Event of Default occurs and the Guarantee is enforced, the proceeds of enforcement may not be sufficient to meet the claims of all the secured creditors, including the Bondholders. If, following

enforcement and realization of the assets in the Cover Pool, creditors have not received the full amount due to them pursuant to the terms of the Programme Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Each Other Guarantor Creditor has undertaken in the Intercreditor Agreement not to petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Guarantor at least until one year and one day after the date on which all Series and Tranches of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Conditions and the relevant Final Terms.

*2.3. Reliance of the Guarantor on third parties*

The Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the Guarantor. In particular, but without limitation, the Principal Servicer has been appointed, and upon accession to the Programme, each Additional Servicer will be appointed to carry out the administration, management, collection and recoveries activities relating to the Eligible Assets comprised in the relevant Portfolios sold to the Guarantor and (i) the Issuer has been appointed as Pre-Issuer Default Test Calculation Agent for any calculations in respect of the Mandatory Tests, the Asset Coverage Test and the Liquidity Reserve Requirement to be performed during the period prior to a Guarantee Enforcement Notice; (ii) the Guarantor Calculation Agent has been appointed as Post-Issuer Default Test Calculation Agent for any calculation in respect of the Mandatory Tests, the Amortisation Test and the Liquidity Reserve Requirement to be performed during the period following a Guarantee Enforcement Notice.

In the event that any of these parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Cover Pool or any part thereof or pending such realization (if the Cover Pool or any part thereof cannot be sold) the ability of the Guarantor to make payments under the Guarantee may be affected. For instance, if the Principal Servicer and/or any Additional Servicer(s) has failed to administer the Mortgage Loans adequately, this may lead to higher incidences of non-payment or default by Debtors. The Guarantor is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Guarantee, as described in the following two investment considerations.

If a Servicer Termination Event occurs pursuant to the terms of the Master Servicing Agreement, then the Guarantor and/or the Representative of the Bondholders will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. In addition, the Servicer may resign from the Master Servicing Agreement, within 12 months from the relevant Execution Date, by giving not less than a 6 months prior written notice to the Representative of the Bondholders, the Rating Agencies, the Asset Swap Provider and Joint-Arrangers. There can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential or commercial properties would be found who would be willing and able to carry out the administration, management, collection and recovery activities relating to the Eligible Assets on the terms of the Master Servicing Agreement. The ability of a substitute servicer to perform fully the required services would depend, *inter alia*, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Cover Pool or any part thereof, and/or the ability of the Guarantor to make payments under the Guarantee.

The Servicer has no obligation to advance payments if the Debtors fail to make any payments in a timely fashion. Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Master Servicing Agreement.

The Representative of the Bondholders is not obliged in any circumstances to act as the Servicer or the Additional Servicer (as the case may be) or to monitor the performance by the Servicer or the Additional Servicer (as the case may be) of its obligations.

*2.4. Change of counterparties*

The parties to the Programme Documents who receive and hold monies pursuant to the terms of such documents (such as the Italian Account Bank or the Principal Servicer and, upon accession to the Programme, each Additional Servicer(s)) are required to satisfy certain criteria in order to continue to receive and hold such monies.

These criteria include, *inter alia*, requirements in relation to the short-term and long-term, unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the ratings criteria, then the rights and obligations of that party (including the right or obligation to receive monies, or to effect payments, on behalf of the Guarantor) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Programme Documents.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Programme Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Bondholders may not be required in relation to such amendments and/or waivers.

*2.5. Reliance on Swap Providers*

To mitigate possible variations in the performance of the Cover Pool, the Guarantor may, but it is not obliged to, enter into one or more Asset Swap Agreements with one or more Asset Swap Providers. In addition, to mitigate interest rate, currency and/or other risks in respect of each Series or Tranche of Covered Bonds issued under the Programme, the Guarantor may, but it is not obliged, to enter into one or more Covered Bond Swap Agreements with one or more Covered Bond Swap Providers in respect of each Series or Tranche of Covered Bonds.

A Swap Provider is (unless otherwise stated in the relevant Swap Agreement) only obliged to make payments to the Guarantor as long as the Guarantor complies with its payment obligations under the relevant Swap Agreement. In circumstances where non-payment by the Guarantor under a Swap Agreement does not result in a default under that Swap Agreement, the Swap Provider may be obliged to make payments to the Guarantor pursuant to the Swap Agreement as if payment had been made by the Guarantor.

If a Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of under the relevant Swap Agreement, the Guarantor may be exposed to changes in the relevant currency exchange rates to Euro and to any changes in the relevant rates of interest and/or to the performance of the Cover Pool. In addition, subject to the then current ratings of the Covered Bonds not being adversely affected, the Guarantor may hedge only part of the possible risk and, in such circumstances, may have insufficient funds to meet its payment obligations, including under the Covered Bonds or the Guarantee.

If a Swap Agreement terminates, then the Guarantor may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Guarantor will have sufficient funds available to make a termination payment under the relevant Swap Agreement, nor can there be any assurance that the Guarantor will be able to enter into a replacement swap agreement with an adequately rated counterparty, or if one is entered into, that the credit rating of such replacement swap provider will remain sufficiently high to prevent a downgrade by the Rating Agencies of the then current ratings of the Covered Bonds. In addition, the Swap Agreements may provide that notwithstanding the

downgrading of a Swap Provider and the failure by such Swap Provider to take the remedial action set out in the relevant Swap Agreement, the Guarantor may not terminate the Swap Agreement until a replacement swap provider has been found.

Following the service of a Guarantee Enforcement Notice, payments (other than principal payments) by the Guarantor (including any termination payment) under the Covered Bond Swap Agreements and Asset Swap Agreements will rank *pari passu* and *pro rata* to interest amounts due on the Covered Bonds under the Guarantee. Accordingly, the obligation to pay a termination payment may adversely affect the ability of the Guarantor to meet its obligations under the Covered Bonds or the Guarantee.

*2.6. Differences in timings of obligations under the Covered Bond Swaps*

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

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

*2.7. No gross up on withholding tax*

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

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

Potential investors should consider the tax consequences of investing in the Covered Bonds and consult their tax adviser about their own tax situation. Notwithstanding anything to the contrary in this Base Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Bondholders.

*2.9. VAT Group*

Italian Law No. 232 of 11 December 2016 (the "**2017 Budget Law**") has introduced new VAT rules allowing groups to act as a single taxable person for value added tax purposes (articles from 70-*bis* to 70-*duodecies* of Presidential Decree No. 633 of 26 October 1972) and which, if so elected by the group head, applies from 1 January 2019. Pursuant to such rules, all entities included in the relevant VAT group are jointly and severally liable to the Italian Tax Authority for any VAT payments due by all members of the VAT group.

On 31 October 2018, the Italian Tax Authority issued circular No. 19/E ("**Circular letter No. 19/2018**") specifying that funds, as pools of segregated assets, would be liable only for the VAT payment

obligations specifically relating to their assets. Although reasonable, it is unclear whether the same limitation would apply also to the assets held by a covered bond guarantor in the case of non-payment of VAT by any other member of its VAT group.

The Group has opted into the new VAT regime introduced by the 2017 Budget Law in respect of the Issuer's group (including the Guarantor) with effect from 1 January 2019. Pending further clarifications on the scope of application of the new rules, the Issuer has submitted a ruling application to the Italian Tax Authority with the effect of excluding the Guarantor from the VAT group regime.

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

As a consequence, segregated pools of assets of covered bond guarantors included in an Italian VAT group are deemed to be liable only for the portion of VAT, interest and penalties – due in case of audit or assessment – which arise in connection with the management of such pools of assets.

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

### *3. Risks related to the underlying*

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

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

- default by Debtors in the payment of amounts due on their Mortgage Loans;
- sale of the Eligible Assets;
- changes to the lending criteria of the Issuer;
- set-off risks in relation to some types of Mortgage Loans in the Cover Pool;
- usury Law;
- compounding interest;
- regulations in Italy that could lead to some terms of the Mortgage Loans being unenforceable;
- possible regulatory changes by the Bank of Italy, CONSOB and other regulatory authorities;
- *status* of real estate market in the areas of operation of the Issuer; and
- limited recourse to the Guarantor.

Certain of these factors are considered in more detail below. However, it should be noted that the Mandatory Tests, the Amortisation Test, the Asset Coverage Test and the Eligibility Criteria are intended to ensure that there will be an adequate amount of Eligible Assets in the Cover Pool to enable the Guarantor to repay the Covered Bonds following an Issuer Event of Default, service of a Guarantee

Enforcement Notice on the Issuer and on the Guarantor and accordingly it is expected (although there is no assurance) that assets comprised in the Cover Pool could be realised for sufficient values to enable the Guarantor to meet its obligations under the Guarantee.

*3.2. Default by borrowers in paying amounts due on their Mortgage Loans*

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

The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Cover Pool 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 process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate Asset.

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

*3.3. Sale of the Eligible Assets following the delivery of a Guarantee Enforcement Notice*

Following a Guarantee Enforcement Notice, the Guarantor shall use its best effort to sell the Eligible Assets (selected on a random basis) included in the Cover Pool (the "**Selected Assets**") in order to make payments to the Guarantor's creditors including making payments under the Guarantee, see "*Description of the Programme Documents – Cover Pool Management Agreement*".

There is no guarantee that a buyer will be found to acquire the Selected Assets at the times required and there can be no guarantee or assurance as to the price which may be obtained for such Selected Assets, which may affect payments under the Guarantee.

In any case, after the delivery of a Guarantee Enforcement Notice the Guarantor (or the Principal Servicer on behalf of the Guarantor) shall use its best efforts to sell the Selected Assets in an amount as close as possible to the amount necessary to (i) redeem in full the Pass Through Series and/or the Earliest Maturing Covered Bonds (if maturing in the next succeeding six months), and (ii) to pay any interest amount due in respect of the Covered Bonds, net of any amounts standing to the credit of the Programme Accounts, **provided that**: (A) prior to and following the sale of such Selected Assets, the Amortisation Test is complied with; and (B) the Guarantor and the Portfolio Manager shall use their best effort to sell the Selected Assets, at the first attempt, at a price that ensures that the ratio between the aggregate Outstanding Principal Balance of the Cover Pool and the Principal Amount Outstanding of all

Series of Covered Bonds remains unaltered or is improved following the sale of the relevant Selected Assets and repayment of the Pass Through Series and/or Earliest Maturing Covered Bonds (as the case may be).

If the proceeds of the sale of Selected Assets raised on the first attempt are insufficient to pay the amounts referred to above, the Guarantor shall repeat its attempt to sell Selected Assets every sixth months thereafter until the earlier of (i) the date on which the Pass Through Series of Covered Bonds have been redeemed in full and (ii) the date on which a Guarantor Default Notice is delivered.

If, on any Test Calculation Date following the service of a Guarantee Enforcement Notice (and, in case of a Guarantee Enforcement Notice delivered as a result of an Article 74 Event, prior to the service of an Article 74 Event Cure Notice), the Test Calculation Agent notifies, through the Test Performance Report, the Issuer, the Sellers, any Additional Seller and the Guarantor that the Amortisation Test is not met, the Guarantor shall use its best effort (but shall not be obliged) to sell all Eligible Assets included in the Cover Pool, on a semi-annual basis starting from the date falling 30 calendar days after the date of the relevant Test Performance Report, **provided that** the proceeds of the sale (net of any costs connected thereto), together with any amount standing to the credit of the Guarantor Accounts, are sufficient to redeem in full the Pass Through Series. For further details, see section headed "*Disposal of the Eligible Assets included in the Cover Pool following the delivery of a Guarantee Enforcement Notice and the breach of the Amortisation Test*".

*3.4. Liquidation of assets following the occurrence of a Guarantor Event of Default*

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

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

*3.5. Changes to the lending criteria of the relevant Seller*

Each of the Mortgage Loans originated by the relevant Seller will have been originated in accordance with its lending criteria at the time of origination. Each of the Mortgage Loans sold to the Guarantor by the relevant Seller, but originated by a person other than the relevant Seller (a "**Third Party Originator**"), will have been originated in accordance with the lending criteria of such Third Party Originator at the time of origination. In the event of the sale or transfer of any Mortgage Loans to the Guarantor, the Issuer will warrant that (a) such Mortgage Loans as were originated by it were originated in accordance with the Issuer's lending criteria applicable at the time of origination and (b) such Mortgage Loans as were originated by a Third Party Originator, were originated in accordance with the relevant Third Party Originator's lending criteria applicable at the time of origination. The Issuer retains the right to revise its lending criteria from time to time subject to the terms of the Master Assets Purchase Agreement. Other Third Party Originators may additionally revise their lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Cover Pool and the ability of the Guarantor to make payments under the Guarantee. However, Defaulted Receivables having Instalments not paid for more than 180 calendar days in the Cover Pool will be given a zero weighting for the purposes of the calculation of the Mandatory Tests, the Asset Coverage Test and the Amortisation Test.

*3.6. Set-off risks*

The assignment of receivables under Law 130 is governed by article 58, paragraph 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette, and (ii) the date of registration of the notice of assignment in the local Companies' Registry. Consequently, the rights of the Guarantor may be subject to the direct rights of the Debtors against the Seller or, as applicable the relevant Originator, including rights of set-off on claims arising existing prior to notification in the Official Gazette and registration at the local Companies' Registry, having a negative impact on its recoveries and, therefore, its ability to make payments under the Guarantee. In addition, the exercise of set-off rights by Debtors may adversely affect any sale proceeds of the Cover Pool and, ultimately, the ability of the Guarantor to make payments under the Guarantee.

Moreover, further to certain amendments to article 4 of Law 130, it is now expressly provided by Law 130 that the Debtors cannot exercise rights of set-off against the Guarantor on claims arising *vis-à-vis* the Sellers after the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*).

*3.7. Usury Law*

Pursuant to the Usury Law, lenders are prevented from applying interest rates higher than those deemed to be usurious (the "**Usury Rates**"). Usury Rates are set on a quarterly basis by a decree issued by the Italian Treasury. With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to the entering into force of the Usury Law, Italian Law No. 24 of 28 February 2001 ("**Law 24/2001**") provides (by means of interpreting the provisions of the Usury Law) that an interest rate is usurious if it is higher than the relevant limit in force at the time at which such interest rate is promised or agreed, regardless of the time at which interest is repaid by the borrower. A few commentators and debatable lower court decisions have held that, irrespective of the principle set out in Law 24/2001, if interest originally agreed at a rate falling below the then applicable usury limit (and thus, not usurious) 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. The Italian Supreme Court (*Corte di Cassazione*), under decision No. 24675 of 19 October 2017, rejected such interpretation and it clarified that only the moment of execution of the agreement is relevant to verify if the interest rate is usurious in the mortgage loans with fixed interest rate. In the last years, a number of objection have been raised on the basis of the excess of the usury limit from the sum of the default interest and the compensatory rate, based on the erroneous interpretation under decision of the Italian Supreme Court (*Corte di Cassazione*) no. 350 of 2013 that the default interest is relevant for the purposes of determining if an interest rate is usurious. Such interpretation has been constantly rejected by the Italian Courts. Other objections raised in the last years are based on the violation of the Usury Law by, for example, the sole default interest exceeding the usury limit or making reference to additional components (such as penalties and insurance policies). In this respect, the Italian Courts have not reached an unanimous position.

In addition to the above and according to certain court precedents of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter.

Finally, the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 19597 dated 18 September 2020) stated that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be included in the calculation of the remuneration to be compared with the Usury Rates. In this respect, should that remuneration be higher than the Usury Rates, only the 'type' of

rate which determined the breach shall be deemed as null and void. As a consequence, the entire amount referable to the rate which determined the breach of said threshold shall be deemed as unenforceable according to consolidated interpretation of the Italian Supreme Court (*Corte di Cassazione*).

If the Usury Law were to be applied to the Receivables and the Mortgage Loan Agreements, the amount payable by the Issuer to the Covered Bondholders may be reduced. The occurrence of such event shall reduce the amount of collections and recoveries of the Issuer with a negative impact of its ability to pay interest and repay principal under the Covered Bonds.

*3.8. Compounding interest*

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

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

Article 17 bis of law decree 18 of 14 February 2016 as converted into Law no. 49 of 8 April 2016 amended article 120, paragraph 2, of the Consolidated Banking Act, providing that the accrued interest shall not produce further interests, except for default interests, and are calculated exclusively on the principal amount. On 8 August 2016, the decree no. 343 of 3 August 2016 issued by the Minister of Economy and Finance, in his quality of President of the CICR, implementing article 120, paragraph 2, of the Consolidated Banking Act, has been published. Given the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Base Prospectus, and may have a potential negative impact on the Portfolio. Indeed, if Debtors were to challenge this practice, it is possible that such interpretation of the Italian civil code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Loans may be prejudiced. The occurrence of such event shall reduce the amount of collections and recoveries of the Guarantor with a negative impact of its ability to fulfil its obligations under the Guarantee.

*3.9. Value of the Cover Pool*

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

*3.10. Limits to Integration*

The integration of the Cover Pool through Eligible Assets shall be carried out in accordance with the modalities, and subject to the limits, set out in the Bank of Italy Regulations (see "*Description of Certain Relevant Legislation in Italy – Substitution of Assets*").

More specifically, under the Bank of Italy Regulations, integration is allowed exclusively for the purpose of complying with (a) the Tests in accordance with Law 130 and (b) the overcollateralisation requirements as set forth by the Bank of Italy Regulations in accordance with article 129 of CRR.

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

*3.11. Mortgage borrower protection*

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

The legislations as described above may have an adverse effect on the Cover Pool and, in particular, on any cash flow projections concerning the Cover Pool as well as on the overcollateralisation required in order to maintain the then current ratings of the Covered Bonds. However, the Asset Coverage Test has been structured in such a way to attribute different weight to Receivables arising from Mortgage Loan as better described in the Cover Pool Management Agreement. To the extent any underweight in respect of the Receivables arising from Mortgage Loan included in the Cover Pool could lead to a breach of Tests, the Issuer will be required to sell to the Guarantor subsequent portfolios of Eligible Assets in accordance with the Cover Pool Management Agreement and the Master Assets Purchase Agreement in order to remedy such breach, see "*Description of Certain Relevant Legislation in Italy*". However, upon occurrence of an Issuer Event of Default a massive adhesion to such payment holidays may adversely affect the cashflows deriving from the Cover Pool and as a consequence the repayment of the Covered Bonds.

*3.12. Maintenance of the Cover Pool*

Pursuant to the terms of the Master Assets Purchase Agreement, the Principal Seller has agreed (and the Additional Seller(s) upon their accession to the Master Assets Purchase Agreement) to transfer New Portfolios to the Guarantor and the Guarantor has agreed to purchase New Portfolios in order to ensure

that the Cover Pool is in compliance with (i) prior to delivery of a Guarantee Enforcement Notice, the Mandatory Tests, the Asset Coverage Test and the Liquidity Reserve Requirement and (ii) following delivery of a Guarantee Enforcement Notice, the Mandatory Tests, the Liquidity Reserve Requirement and the Amortisation Test. The Initial Portfolio Purchase Price was funded through the proceeds of the Term Loan granted under the Subordinated Loan Agreement between the Guarantor and BMPS and the New Portfolio Purchase Price will be funded through (A) (i) any Guarantor Available Funds available in accordance with the Pre-Issuer Default Principal Priority of Payments; (ii) to the extent the Guarantor Available Funds are not sufficient to pay the relevant New Portfolio Purchase Price, the proceeds of a Term Loan granted under the Subordinated Loan Agreements, for an amount equal to the portion of the New Portfolio Purchase Price not paid in accordance with item (i); (B) in certain circumstances, entirely by means of a Term Loan granted under the Subordinated Loan Agreements.

Under the terms of the Cover Pool Management Agreement, the Issuer has undertaken (and the Additional Seller(s) will undertake upon their accession to the Cover Pool Management Agreement) to ensure that on each Test Calculation Date the Cover Pool is in compliance with (i) prior to delivery of a Guarantee Enforcement Notice, the Mandatory Tests, the Asset Coverage Test and the Liquidity Reserve Requirement and (ii) following delivery of a Guarantee Enforcement Notice, the Mandatory Tests, the Liquidity Reserve Requirement and the Amortisation Test. If on any Test Calculation Date, the Cover Pool is not in compliance with the relevant Tests, then the Guarantor will require the Principal Seller and/or the Additional Seller to grant further Term Loans for the purposes of funding the purchase of New Portfolios, Eligible Assets, representing an amount sufficient to allow the relevant Tests to be met on the next following Test Calculation Date. If the Cover Pool is not in compliance with the Mandatory Tests or the Asset Coverage Test on the next following Test Calculation Date, the Representative of the Bondholders will serve a Breach of Tests Notice on the Issuer and the Guarantor. The Representative of the Bondholders shall revoke the Breach of Tests Notice if on any Test Calculation Date, the relevant Tests are subsequently satisfied, unless any other Segregation Event has occurred and is outstanding and without prejudice to the obligation of the Representative of the Bondholders to serve a Breach of Tests Notice in the future. If, following the delivery of a Breach of Tests Notice, the relevant Tests are not met on, or prior to, the Test Calculation Date falling at the end of the Test Remedy Period, the Representative of the Bondholders will serve a Guarantee Enforcement Notice on the Issuer and the Guarantor, unless a Programme Resolution is passed resolving to extend the Test Remedy Period.

If the aggregate collateral value of the Cover Pool has not been maintained in accordance with the terms of the Tests, that may affect the realisable value of the Cover Pool or any part thereof (both before and after the occurrence of a Guarantor Event of Default) and/or the ability of the Guarantor to make payments under the Guarantee. Failure to satisfy the Amortisation Test on any Test Calculation Date following the delivery of a Guarantee Enforcement Notice will cause all Covered Bonds becoming immediately Pass Through Series.

Pursuant the Asset Monitor Engagement Letter entered on 22 May 2012 by and between the Issuer and the Asset Monitor, the Asset Monitor has agreed to perform, in accordance with Article 7-*sexiesdecies* of Law 130, certain procedures relating, *inter alia*, to the control of (i) the fulfilment of the eligibility criteria set out under Article 7-*novies* of Law 130, the Bank of Italy Regulations and Article 129 of the CRR with respect to the Eligible Assets included in the Cover Pool; (ii) the compliance with the internal limits to the transfer of Eligible Assets set out under Article 7-*novies* of Law 130 and the Bank of Italy Regulations; (iii) the calculation performed by the Issuer with respect to the Mandatory Tests, the Asset Coverage Test, the Amortisation Test and the Liquidity Reserve Requirement and the compliance with the limits set out under Articles 7-*undecies* and 7-*duodecies* of Law 130 and Article 129, paragraph 1, letter (a) of the CRR; (iv) the effectiveness and adequacy of the risk protection provided by any Swap Agreement entered into in the context of the Programme; (v) the segregation of the Eligible Assets included in the Portfolio according to article 7-*octies* of Law 130; (vi) the correct application and notification of the extension of the maturity of the Covered Bonds issued as required by Article 7-

*terdecies* of Law 130; and (vii) the completeness, correctness and the timely delivery of the information provided to investors pursuant to Article 7-*septiesdecies* of Law 130 and the Bank of Italy Regulations. See further "*Description of the Programme Documents – Asset Monitor Agreement*".

*3.13. Limited description of the Cover Pool*

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

- the Issuer, or any Additional Seller(s), selling further Eligible Assets (or types of Eligible Assets, which are of a type that have not previously been comprised in the Cover Pool) to the Guarantor; and
- the Issuer, or any Additional Seller(s), repurchasing or substituting Eligible Assets in accordance with the Master Assets Purchase Agreement.

However, each Eligible Asset will be required to meet the Eligibility Criteria and to conform with the representations and warranties set out in the Warranty and Indemnity Agreement — see "*Description of the Programme Documents — Warranty and Indemnity Agreement*". In addition, the Asset Coverage Test is intended to ensure that the Adjusted Aggregate Asset Amount is an amount equal to or in excess of the aggregate outstanding principal amount of the Covered Bonds for so long as Covered Bonds remain outstanding and the Pre-Issuer Default Test Calculation Agent will provide monthly reports that will set out certain information in relation to the Asset Coverage Test.

Nonetheless, the main composition details of the Cover Pool are available on the Issuer's website (www.mps.it) by the publication of the Payments Report and updated on a quarterly basis pursuant to the Bank of Italy Regulations.

*3.14. No due diligence on the Cover Pool*

None of the Joint-Arrangers, any Dealer, the Guarantor or the Representative of the Bondholders has undertaken or will undertake any investigations, searches or other actions in respect of any of the Eligible Assets or other Receivables. Instead, the Guarantor will rely on the Common Criteria, the Specific Criteria, the Additional Criteria and the relevant representations and warranties given by the relevant Seller(s) and, upon accession to the Programme, each Additional Seller(s), in the Warranty and Indemnity Agreement. The remedy provided for in the Warranty and Indemnity Agreement for breach of representation or warranty is for the relevant Seller(s) to indemnify and hold harmless the Guarantor in respect of losses arising from such breach and for the Guarantor to exercise an option right to retransfer the Eligible Assets in respect of which a breach of the representation or warranty has occurred which were previously assigned to it by the relevant Seller in accordance with the terms and conditions set out in the Warranty and Indemnity Agreement. Such obligations are not guaranteed by, nor will they be the responsibility of any person other than the relevant Seller and neither the Guarantor nor the Representative of the Bondholders will have recourse to any other person in the event that the relevant Seller, for whatever reason, fails to meet such obligations. However, pursuant to the Cover Pool Management Agreement the assets which are not Eligible Assets comprised in the Cover Pool are excluded by the calculation of the Tests on the Portfolio and in case of breach of a Test due to such exclusion, either the Principal Seller and/or the Additional Seller(s) or, failing the latter to do so, the Issuer are obliged to integrate the Cover Pool.

*3.15. No representations or warranties to be given by the Guarantor or the relevant Seller if Eligible Assets and their related Security Interests are to be sold*

After the service of a Guarantee Enforcement Notice on the Guarantor, but prior to service of a Guarantor Default Notice, the Guarantor shall, if necessary in order to effect timely payments under the Covered Bonds, sell the Eligible Assets and their related Security Interests included in the Cover Pool,

subject to a right of pre-emption granted to the relevant Seller pursuant to the terms of the Master Assets Purchase Agreement and of the Cover Pool Management Agreement. In respect of any sale of Eligible Assets and their related Security Interests to third parties, however, the Guarantor will not provide any warranties or indemnities in respect of such Eligible Assets and related Security Interests and there is no assurance that the relevant Seller would give or repeat any warranties or representations in respect of the Eligible Assets and related Security Interests or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the relevant Seller in respect of the Mortgage Loans in the Portfolios may not have value for a third party purchaser if the relevant Seller is then insolvent. Accordingly, there is a risk that the realizable value of the Eligible Assets and related Security Interests could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Guarantee. Claw-back of the sales of the Receivables assignments executed under Law 130 are subject to revocation on bankruptcy under article 166, paragraph 1, of the Business Crisis and Insolvency Code applies but only in the event that the filing of the petition for insolvency of the relevant Seller is made within three months of the covered bonds transaction (or of the purchase of the Cover Pool) or, in cases where article 166 (i.e. if the payments made or the obligations assumed by the insolvent party exceed by more than one-fourth the consideration received or promised), within six months of the covered bonds transaction (or of the purchase of the Cover Pool).

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

#### *4.1. Limited secondary market*

There is, at present, a secondary market for the Covered Bonds but it is neither active nor liquid, and there can be no assurance that an active or liquid secondary market for the Covered Bonds will develop. The Covered Bonds have not been, and will not be, offered to any persons or entities in the United States of America or registered under any securities laws and are subject to certain restrictions on the resale and other transfer thereof as set forth under "Subscription and Sale". If an active or liquid secondary market develops, it may not continue for the life of the Covered Bonds or it may not provide Bondholders with liquidity of investment with the result that a Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Bondholder to realise a desired yield. If, therefore, a market does develop, it may not be very liquid, and investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Covered Bonds.

#### *4.2. Exchange Rate Risks and exchange controls*

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease; (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds, and (3) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*4.3. Legal investment considerations may restrict certain investments*

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

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions of the Covered Bonds (the "**Terms and Conditions**" and, each of them, a "**Condition**"). In these Terms and Conditions, references to the "holder" of Covered Bonds and to the "Bondholders" are to the ultimate owners of the Covered Bonds, bearer and dematerialised and evidenced by book entries with Euronext Securities Milan 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 12 August 2018 and published in the Official Gazette number 201 of 30 August 2018, as subsequently amended and supplemented from time to time.*

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

### 1. INTRODUCTION

1.1 *Programme*

Banca Monte dei Paschi di Siena S.p.A. (the "**Issuer**") has established a covered bond programme (the "**Programme**") for the issuance of up to Euro 20,000,000,000 in aggregate principal amount of covered bonds (*obbligazioni bancarie garantite*) (the "**Covered Bonds**") guaranteed by MPS Covered Bond 2 S.r.l. (the "**Guarantor**"). Covered Bonds are issued pursuant to Title 1-*bis* of Law number 130 of 30 April 1999 (as amended, "**Law 130**"), which has implemented Directive (EU) 2019/2162 of 29 November 2019 establishing a common framework for covered bonds, and regulations n. 285 issued by the Bank of Italy on Italy on 17 December 2013, as supplemented on 30 March 2023, as supplemented from time to time (the "**Bank of Italy Regulations**").

1.2 *Final Terms*

Covered Bonds are issued in series or tranches (each, respectively, a "**Series**" or "**Tranche**"). Each Series or Tranche is the subject of final terms (the "**Final Terms**") which supplement, amend and replace these Terms and Conditions. The terms and conditions applicable to any particular Series or Tranche of Covered Bonds are these Terms and Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Terms and Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

1.3 *Guarantee*

Each Series or Tranche of Covered Bonds is the subject of a guarantee (the "**Guarantee**") entered into between the Guarantor and the Representative of the Bondholders on or about the date of the Prospectus for the purpose of guaranteeing the payments due by the Issuer in respect of the Covered Bonds of all Series or Tranches issued under the Programme. The Guarantee will be backed by the Cover Pool (as defined below). The recourse of the Bondholders to the Guarantor under the Guarantee will be limited to the Segregated Assets. Payments made by the Guarantor under the Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments.

1.4 *Programme Agreement and Subscription Agreements*

The Issuer and the Dealer(s) have agreed that any Covered Bonds of any Series or Tranche which may from time to time be agreed between the Issuer and the Dealer(s) to be issued by the Issuer and subscribed for by such Dealer(s) shall be issued and subscribed for on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or

provided to be made or given pursuant to the terms of a programme agreement (the "**Programme Agreement**") entered into on or about the date of the Prospectus between the Issuer, the Guarantor, the Representative of the Bondholders and the Dealer. In addition, in relation to each Series or Tranche of Covered Bonds the Issuer, and the relevant Dealer(s) will enter into a subscription agreement on or about the date of the relevant Final Terms (the "**Subscription Agreement**"). According to the terms of the Programme Agreement, the Issuer has the power to appoint any institution as a new Dealer in respect of the Programme or appoint any institution as a new Dealer only in relation to a particular Series or Tranche of Covered Bonds upon satisfaction of certain conditions set out in the Programme Agreement.

1.5 *Euronext Securities Milan Mandate Agreement*

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

1.6 *Master Definitions Agreement*

In a master definitions agreement (the "**Master Definitions Agreement**") between, *inter alios*, the Issuer, the Guarantor, the Representative of the Bondholders and the Other Guarantor Creditors (as defined below), the definitions of certain terms used in the Programme Documents have been agreed.

1.7 *The Covered Bonds*

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

1.8 *Rules of the Organisation of the Bondholders*

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

1.9 *Summaries*

Certain provisions of these Terms and Conditions are summaries of the Programme Documents and are subject to their detailed provisions. Bondholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Programme Documents applicable to them. Copies of the Programme Documents are available for inspection by Bondholders during normal business hours at the registered office of the Representative of the Bondholders from time to time and, where applicable, at the Specified Office(s) of the Paying Agents.

## 2. DEFINITIONS AND INTERPRETATION

2.1 *Definitions*

In these Terms and Conditions the following expressions have the following meanings:

"**Account Pledge Agreement**" means the Italian Law deed of pledge over bank accounts entered into o 22 August 2013 between the Guarantor and the Representative of the Bondholders, 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.

"**Accrued Interest**" means, as of each Valuation Date and in relation to any Eligible Asset to be assigned as at that date, the portion of the Interest Instalment accrued, but not yet due, as at such date.

"**Additional Account Bank**" means CACIB, in its capacity as Additional Account Bank or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Additional Reserve Account**" means the account denominated in Euro, IBAN IT68S0343201600002212135625 opened in the name of the Guarantor and held by the Additional Account Bank or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Financial Centre**" has the meaning set out in the relevant Final Terms.

"**Additional Seller**" means any entity being part of the Montepaschi Group that may transfer one or more New Portfolios to the Guarantor following the accession to the Programme pursuant to the Programme Documents.

"**Additional Servicer**" means each Additional Seller (if any) which has been appointed as servicer in relation to the Eligible Assets transferred by it to the Guarantor, following the accession to the Programme and to the Master Servicing Agreement pursuant to the Programme Documents.

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

"**Affected Party**" has the meaning ascribed to that term in the Swap Agreements.

"**Amortisation Reserve Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with an Eligible Institution, not belonging to the Montepaschi Group, for the deposit of the Redemption Amount(s) in respect of any Series or Tranche of Covered Bonds following the service of an Issuer Event of Default Notice relating to any other Series or Tranche of Covered Bonds, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Amortisation Test**" means the Test as indicated in clause 5 of the Cover Pool Management Agreement.

"**Article 74 Event**" has the meaning given to it in Condition 12.2.2.

"**Article 74 Event Cure Notice**" has the meaning given to it in these Terms and Conditions.

"**Asset Coverage Test**" means the test indicated in clause 4 of the Cover Pool Management Agreement.

"**Asset Monitor**" means Deloitte & Touche S.p.A. in its capacity as asset monitor pursuant to the Asset Monitor Engagement Letter, or any other entity acting in such capacity.

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on 7 between BMPS, the Guarantor, Banca Finanziaria Internazionale S.p.A. and the Asset Monitor.

"**Asset Monitor Engagement Letter**" means the engagement letter entered into on 23 May 2012 (as amended and supplemented) between the Issuer and the Asset Monitor in order to perform specific agreed upon procedures concerning, *inter alia*, (i) the fulfilment of the eligibility criteria set out under Law 130 with respect to the Eligible Assets included in the Cover Pool; (ii) the

calculations carried-out by the Issuer in relation to the Tests; (iii) the compliance with the limits to the transfer of the Eligible Assets set out under article 129 of the CRR; and (iv) the effectiveness and adequacy of the risk protection provided by any Swap Agreement entered into in the context of the Programme.

"**Back-Up Servicer**" means the company that will be appointed in such capacity by the Guarantor pursuant to clause 10 of the Master Servicing Agreement.

"**Back-Up Servicer Facilitator**" means the company that will be appointed in such capacity by the Guarantor pursuant to clause 10 of the Master Servicing Agreement.

"**Asset Swap Agreement**" means (i) the asset swap agreement entered into between the Main Seller, in its capacity as Asset Swap Provider, and the Guarantor, on 23 May 2012, and (ii) each other asset swap agreement which may be entered into between an Asset Swap Provider and the Guarantor.

"**Asset Swap Provider**" means the Main Seller as swap counterparty to the Guarantor pursuant to the Asset Swap Agreement and/or any other entity entering into an Asset Swap Agreement with the Guarantor.

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

"**Base Interest**" has the meaning given to the term "*Interesse Base*" pursuant to each Subordinated Loan Agreement.

"**BMPS**" means Banca Monte dei Paschi di Siena S.p.A.

"**BMPS Italian Collection Account**" means the account denominated in Euro IBAN IT31V0103014200000010305488 opened in the name of the Guarantor and held by the Italian Account Bank for the deposit of any Collections under the Portfolios assigned by BMPS or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**BMPS Italian Securities Account**" means the account denominated in Euro opened in the name of the Guarantor and held by the Italian Account Bank for the deposit of any securities transferred by the Guarantor to BMPS, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**BMPS Subordinated Loan Agreement**" means the subordinated loan agreement entered into on 30 April 2012 between the Main Subordinated Lender and the Guarantor.

"**Bondholders**" means the holders from time to time of the Covered Bonds included in each Series or Tranche of Covered Bonds.

"**Breach of Tests Cure Notice**" means the notice delivered by the Representative of the Bondholders in case, following the delivery of a Breach of Tests Notice, the Mandatory Tests and/or the Asset Coverage Test are newly met within the Test Remedy Period, in accordance with the Terms and Conditions.

"**Breach of Tests Notice**" means the notice delivered by the Representative of the Bondholders in accordance with the Terms and Conditions following the breach of any of the Mandatory Tests and/or the Asset Coverage Test prior to an Issuer Event of Default and/or a Guarantor Event of Default.

"**Business Crisis and Insolvency Code**" means the Legislative Decree no. 14 of 12 January 2019 (as amended and supplemented from time to time), containing the regulations of the "*Business Crisis and Insolvency Code*" (*Codice della Crisi d'Impresa e dell'Insolvenza)*.

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Siena and London and on which the Real-time Gross Settlement System (T2) managed by Eurosistema (or any successor thereto) is open.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"**CACIB**" means Crédit Agricole Corporate and Investment Bank, Milan Branch.

"**CACIB Account Pledge Agreement**" means the agreement entered into on 20 July 2023 between the Issuer, CACIB and Banca Finanziaria Internazionale S.p.A.

"**Calculation Amount**" has the meaning given to that term in the relevant Final Terms

"**Calculation Period**" means each period between a Guarantor Calculation Date (included) and the next Guarantor Calculation Date (excluded).

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor, the Representative of the Bondholders, the Guarantor Calculation Agent, the Cash Manager and the Italian Account Bank, 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.

"**Cash Manager**" means BMPS or any other entity acting in such capacity pursuant to the Cash Allocation, Management and Payments Agreement.

"**Clearstream**" means Clearstream Banking *société anonyme*, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collateral Security**" means any security (including any loan mortgage insurance but excluding Mortgages) granted to the Main Seller (or any Additional Seller(s), if any) by any Debtor in order to guarantee the payment and/or redemption of any amounts due under the relevant Loan Agreement.

"**Collection Date**" means (i) prior to the service of a Guarantor Default Notice, the first calendar day of each month; and (ii) following the service of a Guarantor Default Notice, each date determined as such by the Representative of the Bondholders.

"**Collection Period**" means the Monthly Collection Period and/or the Quarterly Collection Period, as applicable.

"**Collections**" means all amounts received or recovered by each Servicer in respect of the relevant Eligible Assets included in the Cover Pool.

"**Commercial Mortgage Loan**" means a loan secured by a commercial mortgage meeting the requirements of article 129, paragraph 1, lett. (f) of CRR and article 7-novies, paragraph 2, of Law 130.

"**Commercial Mortgage Loan Agreement**" means each of the agreements entered into with the relevant Debtor, pursuant to which a Commercial Mortgage Loan is disbursed, as well as each deed, contract, agreement or supplement thereto or amendment thereof, or any document pertaining thereto (such as "*atti di accollo*").

"**Commercial Mortgage Receivable**" means a Receivable arising from a loan secured by commercial mortgage meeting the requirements of article 129, paragraph 1, letter (f) of CRR and article 7-*novies*, paragraph 2, of Law 130.

"**Commingling Reserve Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with an Eligible Institution, not belonging to the Montepaschi Group, in order to post from time to time the Commingling Reserve Amount (if any) or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Commingling Reserve Amount**" has the meaning given to such term in Clause 4 (Asset Coverage Test) of the Cover Pool Management Agreement.

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

"**Consolidated Banking Act**" means Legislative Decree number 385 of 1 September 1993, as subsequently amended and supplemented.

"**Consolidated Monthly Servicer's Report**" means the consolidated monthly report prepared by the Main Servicer in accordance with Clause 6.3 of the Master Servicing Agreement and sent within each Monthly Servicer's Report Date pursuant to the Master Servicing Agreement.

"**Corporate Services Agreement**" means the corporate services agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor and the Guarantor Corporate Servicer 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.

"**Corresponding Interest**" has the meaning given to the term "*Interesse Collegato*" pursuant to each Subordinated Loan Agreement.

"**Corresponding Series or Tranche of Covered Bonds**" means, in respect of a Fixed Interest Term Loan or a Floating Interest Term Loan, the Series or Tranche of Covered Bonds issued or to be issued pursuant to the Programme and notified by the Subordinated Lender to the Guarantor in the relevant Term Loan Proposal.

"**Covered Bonds**" means the covered bonds (*obbligazioni bancarie garantite*) of each Series or Tranche issued or to be issued by the Issuer in the context of the Programme.

"**Credit and Collection Policy**" means the procedures for the collection and recovery of Receivables from time to time adopted by the relevant Servicer.

"**Cover Pool**" means the cover pool constituted by (i) Receivables and (ii) any other Eligible Assets.

"**Cover Pool Management Agreement**" means the Cover Pool management agreement entered into on 23 May 2012 between, *inter alios*, the Issuer, the Guarantor, the Main Seller, the Test Calculation Agent, the Guarantor Calculation Agent and the Representative of the Bondholders, 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.

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

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

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

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

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that

portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

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

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

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

**"DBRS Equivalent Rating**" means the Morningstar DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P, as the same may be updated in accordance with the methodologies published from time to time by such rating agencies:

| Morningstar 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 Long Term Critical Obligations Rating (COR)**" means the Morningstar DBRS rating addressing the risk of default of particular obligations / 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.

"**DBRS Rating**" is any of the following:

- Public rating
- Private rating
- Internal assessment

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the Eligible Investment or the Eligible Institution (each, a "**Public Long Term Rating**") are all available at such date, the DBRS 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;

(b) if the DBRS Rating cannot be determined under (a) above, but Public Long Term Ratings of the Eligible Investment by any two of Fitch, Moody's and S&P

are available at such date, the DBRS Equivalent Rating of the lower 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 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 Equivalent Rating will be 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 Rating cannot be determined under subparagraphs (a) to (c) above, the DBRS Rating will be deemed to be of "C" at such time.

"**Dealers**" means the Initial Dealers and any other entity that will be appointed as dealer by the Issuer pursuant to the Programme Agreement.

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

"**Decree 239**" means the Legislative Decree number 239 of 1 April 1996, as subsequently amended and supplemented.

"**Deed of Charge**" means the English law deed of charge (if any) between the Guarantor and the Representative of the Bondholders (acting as trustee for the Bondholders and for the Other Guarantor 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.

"**Deed of Pledge**" means the Italian law deed of pledge entered into on 23 May 2012 between the Guarantor and the Representative of the Bondholders, 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.

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

"**Deposits**" means any deposits held with banks which have their registered office in the European Economic Area or Switzerland or in a country for which a 0% risk weight is applicable in accordance with the Prudential Regulations - standardised approach.

"**Drawdown Date**" means the date indicated in each Term Loan Proposal on which a Term Loan is granted pursuant to each Subordinated Loan Agreement during the Subordinated Loan Availability Period.

"**Due for Payment**" means the requirement for the Guarantor to pay any Guaranteed Amounts following the delivery of an Issuer Default Notice after the occurrence of an Issuer Event of Default, such requirement arising: (i) prior to the occurrence of a Guarantor Event of Default, on the date on which the Guaranteed Amounts are due and payable in accordance with the Terms and Conditions and the Final Terms of the relevant Series or Tranche of Covered Bonds; and (ii) following the occurrence of a Guarantor Event of Default, the date on which the Guarantor Default Notice is served on the Guarantor.

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

"**Early Termination Amount**" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the Terms and Conditions or the relevant Final Terms.

"**Eligible Assets**" means the assets contemplated under article 7-*novies* of Law 130, including the Liquidity Assets.

"**Eligible Institution**" means any credit institution incorporated under the laws of any state which is a member of the European Union, the EEA, the United Kingdom or of the United States, whose:

(a) *short-term* unsecured and unsubordinated debt obligations are rated at least "F-1" by Fitch, and at least "P-1" by Moody's, and

(b) *long-term* unsecured and unsubordinated debt obligations are rated at least the Minimum DBRS Rating (considering the maximum of (1) one notch below the relevant institution's DBRS Critical Obligations Rating (COR), in case the institution has a DBRS Critical Obligations Rating (COR); and (2) a long term DBRS Rating or DBRS Equivalent Rating), at least "A" by Fitch and at least "A2" by Moody's (provided that, if any of the above credit institutions is on rating watch negative, it shall be treated as one notch below its current Fitch rating) or any other rating level from time to time provided for in the relevant rating agencies' criteria.

"**Eligible Investments**" means any investment denominated in Euro (unless a suitable hedging is in place) that has a maturity date falling, and which is redeemable at par together with accrued unpaid interest, no later than the next following Eligible Investment Maturity Date and that is an obligation of a company incorporated in, or a sovereign issuer of, a Qualifying Country (as defined below), provided that in case of downgrade below such rating level the securities will be sold, if it could be achieved without a loss, otherwise the securities shall be allowed to mature, and is one or more of the following obligations or securities (including, without limitation, any obligations or securities for which the Cash Manager or the Representative of the Bondholders or an affiliate of any of them provides services):

(i) direct obligations of any agency or instrumentality of a sovereign of a Qualifying Country, the obligations of which agency or instrumentality are unconditionally and irrevocably guaranteed in full by a Qualifying Country, a "Qualifying Country" being a country rated at the time of such investment or contractual commitment providing for such investment in such obligations, at least "AA-" or "F1+" by Fitch, "Aa3" and "P-1" by Moody's and AA (low) or R-1 (middle) by Morningstar DBRS;

(ii) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Italian Account Bank (other than BMPS) and the Additional Account Bank) incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 30 days (and in any case falling prior to the immediately following Eligible Investment Maturity Date) and subject to supervision and examination by governmental banking authorities, provided that the commercial paper and/or the debt obligations of such depositary institution or trust company (or, in the case of the principal depositary institution in a holding company system, the commercial paper or debt obligations of such holding

company) at the time of such investment or contractual commitment providing for such investment have a credit rating of at least "A" and "F1" by Fitch, "A2" and "P-1" by Moody's and with respect to Morningstar DBRS rated according to the "DBRS A" table;

(iii) any security rated at least (A) "P-1" by Moody's ,"A" and "F1" by Fitch and with respect to Morningstar DBRS according to the DBRS A table, if the relevant maturity is up to 30 calendar days, (B) "P-1" by Moody's, "AA-" or "F1+" by Fitch and with respect to Morningstar DBRS according to DBRS B table if the relevant maturity is up to 365 calendar days, provided that, in all cases, the maximum aggregate total exposures in general to classes of assets with certain ratings by the Rating Agency will, if requested by the Rating Agency, be limited to the maximum percentages specified by the Rating Agency;

(iv) subject to the rating of the Covered Bonds not being affected, unleveraged repurchase obligations with respect to: (1) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of at least "AA-" or "F1+" by Fitch, "Aa3" and "P-1" by Moody's and a maturity of not more than 180 days from their date of issuance and with respect to Morningstar DBRS, a credit rating of the counterparty according to the DBRS A and DBRS B tables; (2) off-shore money market funds rated, at all times, "AAA/V-1" by Fitch and "Aaa/MR1+" by Moody's and with respect to Morningstar DBRS, a credit rating of the counterparty according to the DBRS A and DBRS B tables; and (3) any other investment similar to those described in paragraphs (1) and (2) above: (a) provided that any such other investment will not affect the rating of the Covered Bonds; and (b) which has the same rating as the investment described in paragraphs (1) and (2) above, provided that, (x) in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in any such instruments at any time and (y) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes (as confirmed by a non qualified legal opinion by a primary standing law firm) to the Issuer and the obligations of the relevant counterparty are not related to the performance of the underlying securities.

Provided that (i) such Eligible Investment shall not prejudice the rating assigned to each Series of Covered Bond and shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount), (ii) in any event such debt securities or other debt instruments do not consist, in whole or in part, actually or potentially of credit-linked notes or similar claims nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in asset-backed securities, irrespective of their subordination, status, or ranking at any time, and (iii) the relevant exposure qualifies for the "credit quality step 1" pursuant to article 129, paragraph 1(a) of the CRR or, in case of exposure vis-à-vis an entity in the European union which has a maturity not exceeding 30 (thirty) days, it may qualify for "credit quality step 2" pursuant to Article 129, paragraph 1(a) of the CRR, (iv) such Eligible investments should mature no later than one business day before the date when the funds from the investments are required, taking into account any grace period that might apply to the relevant investment; (v) such Eligible investments should be denominated and payable in a specified currency such that no exchange rate risk is introduced to the transaction; and (vi) such Eligible investments should normally return invested principal at maturity.

| **DBRS A Table: eligible Investments with a maturity up to 30** | **Eligible Investment Rating** |
|---|---|

| **days: CB Rating** | |
|---|---|
| AAA (sf) | A or R-1(low) |
| AA (high) (sf) | A or R-1(low) |
| AA (sf) | BBB (high) of R-1 (low) |
| AA (low) (sf) | BBB (high) of R-1 (low) |
| A (high) (sf) | BBB or R-2 (high) |
| A (sf) | BBB (low) or R-2 (middle) |
| A (low) (sf) | BBB (low) or R-2 (low) |
| BBB (high) (sf) | BBB (low) or R-2 (low) |
| BBB (sf) | BBB (low) or R-2 (low) |
| BBB (low) (sf) | BBB (low) or R-2 (low) |
| BB (high) (sf) | BB (high) or R-3 |
| BB (sf) | BB or R-4 |
| BB (low) (sf) | BB (low) or R-4 |
| B (high) (sf) | B (high) or R-4 |
| B (sf) | B or R-4 |
| B (low) (sf) | B (low) or R-5 |

**DBRS B Table**

| **Maximum maturity** | **CB rated at least AA (low) (sf)** | **CB rated between A (high) (sf)and A (low) (sf)** | **CB rated BBB (high) (sf) and below** |
|---|---|---|---|
| 90 days | AA (low) or R-1 (middle) | A (low) or R-1 (low) | BBB (low) or R-2 (middle) |
| 180 days | AA or R-1 (high) | A or R-1 (low) | BBB or R-2 (high) |
| 365 days | AAA or R-1 (high) | A (high) or R-1 (middle) | BBB or R-2 (high) |

"**Eligible Investment Maturity Date**" means, in respect of any investment in Eligible Investments made or to be made in accordance with the Programme Documents, 1 (one) Business Day before the Guarantor Payment Date immediately following the relevant Eligible Investment Date.

"**Eligible Investment Date**" means, in respect of any investment in Eligible Investments made or to be made in accordance with the Programme Documents, any Business Day immediately after a Guarantor Payment Date.

"**Eligible Investments Securities Account**" means the securities account number IT56T0103014200000010305767 opened in the name of the Guarantor with the Italian Account Bank for the deposit of any Eligible Investments represented by securities or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Eligible Swap Agreement**" means any swap agreement which meets the requirements of article 7-*decies* of Law 130.

"**EU Insolvency Regulation**" means Regulation (EU) 2015/848 of 20 May 2015, as amended from time to time.

"**EURIBOR**" (1) with respect to the Covered Bonds, has the meaning ascribed to it in the relevant Final Terms; and (2) with reference to each Loan Interest Period, means the rate denominated "Euro Interbank Offered Rate":

(i) at 3 (three) months (provided that for the First Loan Interest Period, such rate will be calculated on the basis of the linear interpolation of 3-month Euribor and 4-month Euribor), published on Reuters' page "Euribor01" on the menu "Euribor" or (A) in the different page which may substitute the Reuters' page "Euribor01" on the menu "Euribor", or (B) in the event such page or such system is not available, on the page of a different system containing the same information that can substitute Reuters' page "Euribor01" on the menu "Euribor" (or, in the event such page is available from more than one system, in the one selected by the Representative of the Bondholders) (hereinafter, the "**Screen Rate**") at 11.00 a.m. (Brussels time) of the date of determination of the Loan Interest falling immediately before the beginning of such Loan Interest Period; or

(ii) in the event that on any date of determination of the Loan Interest the Screen Rate is not published, the reference rate will be the arithmetic average (rounded off to three decimals) of the rates communicated to the Guarantor Calculation Agent, upon its request of such Guarantor Calculation Agent, by the Reference Banks at 11.00 a.m. (Brussels time) on the relevant date of determination of the Loan Interest and offered to other financial institutions of similar standing for a reference period similar to such Loan Interest Period; or

(iii) in the event the Screen Rate is not available and only two or three Reference Banks communicate the relevant rate quotations to the Guarantor Calculation Agent, the relevant rate shall be determined, as described above, on the basis of the rate quotations provided by the relevant Reference Banks; or

(iv) in the event that the Screen Rate is not available and only one or no Reference Banks communicate such quotation to the Guarantor Calculation Agent, the relevant rate shall be the rate applicable to the immediately preceding period under sub-paragraphs (i) or (ii) above,

provided that if the definition of Euribor is agreed differently in the context of the Asset Swap Agreement entered into by and between the Guarantor and the Asset Swap Provider in the context of the Programme, such definition will replace this definition.

"**Euro**", "**€**" and "**EUR**" refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty.

"**Euroclear**" means Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

"**Euronext Securities Milan**" means Euronext Securities Milan, having its registered office at Piazza degli Affari, 6, 20123 Milan, Italy.

"**Euronext Securities Milan Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan (as *intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act.

"**European Economic Area**" or "**EEA**" means the region comprised of member states of the European Union which adopt the Euro currency in accordance with the Treaty.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Bondholders and the Other Guarantor Creditors) arising in connection with the Programme and required to be paid in order to preserve the existence of the Guarantor or to maintain it in good standing, or to comply with applicable laws and legislation.

"**Expenses Account**" means the account denominated in Euro and opened on behalf of the Guarantor with the Italian Account Bank, IBAN IT37R0103014200000010305674, or any other substitutive account that may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Extended Maturity Date**" means the date when final redemption payments in relation to a specific Series or Tranche of Covered Bonds become due and payable pursuant to the extension of the relevant Maturity Date, as provided under the relevant Final Terms.

"**Extension Determination Date**" means, with respect to each Series or Tranche of Covered Bonds, the date falling 4 days after the Maturity Date of the relevant Series.

"**Final Redemption Amount**" means, in respect of any Series or Tranche of Covered Bonds, (i) the principal amount of such Series or (ii) following the occurrence of an Issuer Event of Default any part thereof payable in accordance with the Priority of Payments, or (iii) such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

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

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

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

"**First Issue Date**" means the Issue Date of the first Series of Covered Bonds or the First Tranche of Covered Bonds issued under the Programme.

"**First Loan Interest Period**" means, in relation to each Term Loan, the period starting on (and including) the relevant Drawdown Date and ending on (but excluding) the first following Guarantor Payment Date.

"**First Series of Covered Bonds**" means the first Series of Covered Bonds issued by the Issuer in the context of the Programme.

"**First Tranche of Covered Bonds**" means if applicable the first Tranche of Covered Bonds issued by the Issuer in the context of the issuance of the First Series of Covered Bonds.

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

"**Fixed Interest Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which a fixed rate Corresponding Interest applies as indicated in the relevant Term Loan Proposal and corresponding to the interest payable on the Corresponding Series or Tranche of Covered Bonds.

"**Fixed Rate Provisions**" has the meaning set out in Condition 5 (*Fixed Rate Provisions*).

"**Floating Interest Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which a floating rate Corresponding Interest applies as indicated in the relevant Term Loan Proposal and corresponding to the interest payable on the Corresponding Series or Tranche of Covered Bonds.

"**Guarantee**" means the agreement entered into on 23 May 2012, between the Guarantor, the Issuer and the Representative of the Bondholders, pursuant to which the Guarantor has granted a guarantee for the purpose of guaranteeing the payments owed by the Issuer to the Bondholders pursuant to Law 130 and the Bank of Italy Regulations, 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.

"**Guarantee Priority of Payments**" has the meaning ascribed to such term in clause 7.2 of the Intercreditor Agreement.

"**Guaranteed Amounts**" means the amounts due from time to time by the Issuer to Bondholders with respect to each Series or Tranche of Covered Bonds.

"**Guaranteed Obligations**" means the payment obligations with respect to the Guaranteed Amounts.

"**Guarantee Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of the Prospectus.

"**Guarantor**" means MPS Covered Bond 2 S.r.l. acting in its capacity as guarantor pursuant to the Guarantee.

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

"**Guarantor Calculation Agent**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Guarantor Calculation Date**" means the date falling on the 24th calendar day of each January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day.

"**Guarantor Corporate Servicer**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the Corporate Services Agreement.

"**Guarantor Default Notice**" means the notice to be served by the Representative of the Bondholders upon occurrence of a Guarantor Event of Default, in accordance with the Terms and Conditions.

"**Guarantor Event of Default**" has the meaning given to it in the Terms and Conditions.

"**Guarantor Payment Date**" means (a) prior to the delivery of a Guarantor Default Notice, the 29th calendar day of January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day, provided that the first Guarantor Payment Date falls on 30 July 2012; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Bondholders in accordance with the Post-Enforcement Priority of Payments, the Terms and Conditions and the Intercreditor Agreement.

"**Guarantor's Accounts**" means, collectively, each Italian Collection Account, each Italian Securities Account (if any), the Payments Account (if any), the Main Programme Account, the Expenses Account, the Eligible Investments Securities Account, the Reserve Account, the Amortisation Reserve Account (if any), the Commingling Reserve Account (if any), the Additional Reserve Account and any other account opened in the context of the Programme, with the exception of the Quota Capital Account.

"**Individual Purchase Price**" means:

1. with respect to each Eligible Asset transferred pursuant to the Master Assets Purchase Agreements, the most recent book value (*ultimo valore di iscrizione in bilancio*) of the relevant Eligible Asset:

   (i) *minus* the aggregate amount of (1) the accrued interest obtained at the date of the last financial statement with reference to such Eligible Asset and included in such book value; and (2) any collections with respect to principal received by the relevant Seller with respect to such Eligible Asset from the date of the most recent financial statement (*ultimo bilancio*) until the relevant Valuation Date (included); and

   (ii) increased of the aggregate amount of the Accrued Interest with respect to such Eligible Asset obtained at the relevant Valuation Date; or

2. with respect to each other Eligible Asset, such other value, pursuant to article 7-*viciester* of Law 130, as indicated by the Main Seller (or each Additional Seller, if any) in the relevant Transfer Proposal.

"**Initial Dealers**" means Banca Finanziaria Internazionale S.p.A. and Mediobanca - Banca di Credito Finanziario S.p.A.

"**Initial Portfolio**" means the first portfolio of Residential Mortgage Receivables and related Security Interests purchased on 30 April 2012 by the Guarantor from the Main Seller pursuant to the Master Assets Purchase Agreement.

"**Initial Portfolio Purchase Price**" means the consideration paid by the Guarantor to the Main Seller for the transfer of the Initial Portfolio, calculated in accordance with the Master Assets Purchase Agreement.

"**Insolvency Event**" means:

(i) in respect of the Issuer, that the Issuer is subject to *liquidazione coatta amministrativa* as defined in the Consolidated Banking Act; and

(ii) in respect of any company, entity or corporation, other than the Issuer, that:

   i) such company, entity or corporation has become subject to any applicable procedure of judicial liquidation, liquidation, amministrative compulsory liquidation, any insolvency proceedings pursuant to the legislation applicable from time to time (including, *inter alia*, and by way of example, pursuant to and for the

purposes of the Business Crisis and Insolvency Code), instrument or measure for the regulation of crisis and insolvency (including without limitation and merely by way of example, the "*concordato preventivo*", "*piano di ristrutturazione soggetto a omologazione*", "*accordi di ristrutturazione dei debiti*", as well as the "*piano attestato di risanamento*" pursuant to the Business Crisis and Insolvency Code), insolvency and/or restructuring procedures or procedures or similar instruments/measures pursuant to the legislation applicable from time to time (including, but not limited to, application for liquidation, restructuring, dissolution, procedures, access to any of the measures set forth in the Business Crisis and Insolvency Code) or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Bondholders, (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

ii) an application for the commencement (and/or access to) of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

iii) such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Programme Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company, entity or corporation (except in any such case a winding-up, corporate reorganization or other proceeding for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Bondholders); or

v) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

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

"**Insurance Policies**" means (i) each insurance policy taken out with the insurance companies in relation to each Real Estate Asset subject to a Mortgage or (ii) any possible "umbrella" insurance policy in relation to the Real Estate Assets which have lost their previous relevant insurance coverage.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor and the Other Guarantor 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.

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

"**Interest Available Funds**" means in respect of any Guarantor Payment Date, the aggregate of:

(i) any interest amounts and/or yield collected by the relevant Servicer in respect of the Cover Pool and credited into the Main Programme Account during the immediately preceding Collection Period;

(ii) all Recoveries in the nature of interest received by the relevant Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

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

(iv) any amounts standing to the credit of the Reserve Account in excess of the Required Reserve Amount, and following the service of an Issuer Default Notice, on the Guarantor, any amounts standing to the credit of the Reserve Account;

(v) all amounts in respect of interest and/or yield received from the Eligible Investments;

(vi) any amounts received under the Swap Agreement(s);

provided that, prior to the occurrence of a Guarantor Event of Default, any such amounts received on or after such Guarantor Payment Date (included) but prior to the next following Guarantor Payment Date (excluded) will be applied, together with any provision for such payments made on any preceding Guarantor Calculation Date, (i) to make payments in respect of interest due and payable, *pro rata* and *pari passu* in respect of each relevant Swap Agreement or, as the case may be, (ii) to make payments in respect of interest due on the Covered Bonds under the Guarantee, *pari passu* and *pro rata* in respect of each relevant Series or Tranche of Covered Bonds, or (iii) to make provision for the payment of such relevant proportion of such amounts to be paid on any other day up to the immediately following Guarantor Payment Date, as the Guarantor Calculation Agent may reasonably determine, or otherwise,

(vii) all interest amounts received from the relevant Seller by the Guarantor pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(viii) any amounts paid as Interest Shortfall Amount out of item (*First*) of the Pre-Issuer Default Principal Priority of Payments; and

(ix) any amounts (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

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

"**Interest Coverage Test**" means the Test as described in the section of the Prospectus entitled "*Credit Structure – Mandatory Tests – Interest Coverage Test*".

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

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

"**Interest Payment Date**" means, in relation to each Series or Tranche of Covered Bonds, any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, adjusted in accordance with the relevant Business Day Convention if specified in the relevant Final Terms.

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

"**Interest Shortfall Amount**" means, on any Guarantor Payment Date, an amount equal to the difference, if positive, between (a) the aggregate amounts payable (but for the operation of clause 13 (*Enforcement of Security, Non Petition and Limited Recourse*) of the Intercreditor Agreement) under items *First* to *Sixth* of the Pre-Issuer Default Interest Priority of Payments; and (b) the Interest Available Funds (net of such Interest Shortfall Amount) on such Guarantor Payment Date.

"**Issue Date**" means each date on which a Series or Tranche of Covered Bonds is issued, as set out in the applicable Final Terms.

"**Issuer**" means BMPS.

"**Issuer Default Notice**" means the notice to be served by the Representative of the Bondholders to the Issuer and the Guarantor upon occurrence of an Issuer Event of Default in accordance with the Terms and Conditions.

"**Issuer Event of Default**" has the meaning given to it in Condition 12.2 (*Issuer Events of Defaults*).

"**Italian Account Bank**" means BMPS in its capacity as Italian Account Bank or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Italian Collection Account**" means, as the case may be, the BMPS Italian Collection Account and/or any other account which may be opened by the Guarantor if a bank part of the Montepaschi Group will accede the Programme in its capacity as Additional Seller and Additional Servicer, for the deposit of the collections of the Portfolios transferred by such bank, in its capacity as Additional Seller, to the Guarantor, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Italian Securities Account**" means the BMPS Italian Securities Account and/or any other account which may be opened by the Guarantor for the deposit of any Securities represented by bonds, debentures, notes or other financial instruments in book entry form transferred by a Seller to the Guarantor or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Law 130**" means Italian Law number 130 of 30 April 1999 as the same may be amended, modified or supplemented from time to time.

"**Liquidity Assets**" means the Eligible Assets compliant with article 7-*duodecies*, paragraph 2, letter (b) of the Law 130.

"**Liquidity Reserve**" means the amount of Eligible Assets comprised in the Cover Pool which are in compliance with Article 7-*duodecies*, paragraph 2, of Law 130, including the Required Reserve Amount.

"**Liquidity Reserve Requirement**" has the meaning ascribed to such term in clause 5 (*Liquidity Reserve Requirement*) of the Cover Pool Management Agreement.

"**Loan**" means each Mortgage Loan.

"**Loan Agreement**" means each Mortgage Loan Agreement.

"**Loan Interest**" means any of the Base Interest or the Corresponding Interest, pursuant to the relevant Subordinated Loan Agreement.

"**Loan Interest Period**" means, in relation to each Term Loan: (i) the relevant First Loan Interest Period; and thereafter (ii) each period starting on (and including) a Guarantor Payment Date and ending on (but excluding) the following Guarantor Payment Date.

"**Long Due for Payment Date**" means 31 December 2057 or any other date determined by the joint decision of the Issuer and the Rating Agency and notified by the Issuer to the Representative of the Bondholders, the Bank of Italy and Morningstar DBRS.

"**Main Programme Account**" means the account denominated in Euro opened in the name of the Guarantor and held by the Italian Account Bank (IBAN IT18P0103014200000010305581), or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Main Seller**" means BMPS.

"**Main Servicer**" means BMPS.

"**Main Subordinated Lender**" means BMPS in its capacity as Subordinated Lender pursuant to the BMPS Subordinated Loan Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on 23 May 2012 between the Guarantor and the Representative of the Bondholders, 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.

"**Mandatory Tests**" means, collectively, the Nominal Value Test, the Net Present Value Test and the Interest Coverage test, each as provided for under article 7-*undecies* of Law 130 and calculated pursuant to clause 3 of the Cover Pool Management Agreement.

"**Margin**" has the meaning ascribed to the term "Margine" in each Subordinated Loan Agreement.

"**Master Amendment Agreement**" means the agreement entered into on 17 July 2023 between the Issuer, CACIB, SVM Securitisation Vehicles Management S.r.l., the Guarantor and Banca Finanziaria Internazionale S.p.A.

"**Master Assets Purchase Agreement**" means the master assets purchase agreement entered on 30 April 2012 between the Guarantor, the Main Seller and, following accession to the Programme, each Additional Seller, 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.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the date of the Prospectus between the parties of the Programme Documents, 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.

"**Master Servicing Agreement**" means the master servicing agreement entered on 30 April 2012 between the Guarantor, the Main Servicer and, following accession to the Programme, each Additional Servicer, 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.

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

"**Meeting**" has the meaning ascribed to such term in the Rules of the Organisation of the Bondholders.

"**Minimum DBRS Rating**":

| **Highest Rating Assigned to Rated Securities** | **Minimum Institution Rating** |
|---|---|
| AAA (sf) | "A" |
| AA (high) (sf) | "A" |
| AA (sf) | "A" |
| AA (low) (sf) | "A" |
| A (high) (sf) | BBB (high) |
| A (sf) | BBB |
| A (low) (sf) | BBB (low) |
| BBB (high) (sf) | BBB (low) |
| BBB (sf) | BBB (low) |
| BBB (low) (sf) | BBB (low) |

"**Montepaschi Group**" means, together, the banks and other companies belonging from time to time to the banking group "Gruppo Monte dei Paschi", enrolled with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**Monthly Collection Period**" means (a) each period commencing on (and including) a Collection Date and ending on (but excluding) the following Collection Date; and (b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Valuation Date of the Initial Portfolio and ending on (but excluding) the Collection Date falling in June 2012.

"**Morningstar DBRS**" means DBRS Ratings GmbH (or any successor).

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

"**Mortgage Loan**" means each Residential Mortgage Loan or Commercial Mortgage Loan.

"**Mortgage Loan Agreement**" means any Residential Mortgage Loan Agreement or Commercial Mortgage Loan Agreement.

"**Mortgage Receivable**" means each Residential Mortgage Receivable or Commercial Mortgage Receivable.

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

"**Net Present Value Test**" means the Test as described in the section of the Prospectus entitled "*Credit Structure – Mandatory Tests – Net Present Value Test*".

"**Negative Carry Factor**" has the meaning given to such term in Clause 4 (Asset Coverage Test) of the Cover Pool Management Agreement.

"**Net Liquidity Outflows**" means all payment outflows falling due on one day, including principal and interest payments, net of all payment inflows falling due on the same day for claims related to the Cover Pool, calculated in accordance with article 7-duodecies of Law 130 and the Bank of Italy Regulations, it being understood that, if the Maturity Date of a Series is extendable to the relevant Extended Maturity Date, the Principal Amount Outstanding of such Series to be taken into account shall be based on the relevant Extended Maturity Date and not on the relevant Maturity Date

"**New Italian Account Bank**" means any entity, other than the Additional Account Bank, who succeeded to the Italian Account Bank in the capacity of new Italian account bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**New Portfolio**" means each portfolio of Eligible Assets (other than the Initial Portfolio) which may be purchased by the Guarantor pursuant to the terms and subject to the conditions of the Master Assets Purchase Agreement.

"**New Portfolio Purchase Price**" means the consideration which the Guarantor shall pay to the relevant Seller for the transfer of each New Portfolio in accordance with the Master Assets Purchase Agreement and equal to the aggregate amount of the Individual Purchase Price of all the relevant Eligible Assets included in the relevant New Portfolio, without prejudice for the provisions set out under clause 6 of the Master Assets Purchase Agreement.

"**Nominal Value Test**" means the Test as described in the section of the Prospectus entitled "*Credit Structure – Mandatory Tests – Nominal Value Test*".

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

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

"**Original Initial Dealer**" means MPS Capital Services S.p.A., now merged by way of incorporation in BMPS.

"**Other Guarantor Creditors**" means the Main Seller and each Additional Seller, if any, the Main Servicer and each Additional Servicer, if any, the Main Subordinated Lender and each Additional Subordinated Lender, if any, the Guarantor Calculation Agent, Back-up Servicer Facilitator and/or the Back-Up Servicer, if any, the Test Calculation Agent, the Dealer(s), the Representative of the Bondholders, each Swap Provider, the New Italian Account Bank (if any), the Italian Account Bank, the Cash Manager, the Principal Paying Agent, the Paying Agent(s) (if any), the Guarantor Corporate Servicer, the Additional Account Bank and the Portfolio Manager (if any).

"**Outstanding Principal Balance**" means any Principal Balance outstanding in respect of any Eligible Asset included in the Cover Pool.

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

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

(i) if the currency of payment is euro, a T2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

"**Payments Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with the Principal Paying Agent following the delivery of an Issuer Default Notice or a Guarantor Default Notice, or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report to be prepared and delivered by the Guarantor Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

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

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

"**Portfolio**" means collectively the Initial Portfolio and any other New Portfolios which has been purchased and which will be purchased by the Guarantor in accordance with the terms of the Master Assets Purchase Agreement.

"**Portfolio Manager**" means the subject which may be appointed as portfolio manager pursuant to the Cover Pool Management Agreement.

"**Post-Enforcement Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of the Prospectus.

"**Post-Issuer Default Test Performance Report**" means, on each Quarterly Test Calculation Date falling after the service of an Issuer Default Notice, the report prepared by the Test Calculation Agent setting out the calculations carried out by it with respect to the Amortisation Test and specifying whether such Test was not met, provided that the Amortisation Test shall not apply and the Post Issuer Default Test Performance Report must not be delivered by the Test Calculation Agent and, accordingly, no Guarantor Event of Default will occur, if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

"**Pre-Issuer Default Interest Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of the Prospectus.

"**Pre-Issuer Default Principal Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of the Prospectus.

"**Pre-Issuer Default Test Performance Report**" means, on each Test Calculation Date and Quarterly Test Calculation Date prior to the service of an Issuer Default Notice, the report prepared by the Test Calculation Agent setting out the calculations carried out by it with respect

to the Mandatory Tests and the Asset Coverage Test and specifying whether any of such Tests was not met.

"**Premium**" has the meaning ascribed to that term in each Subordinated Loan Agreement.

"**Principal Amount Outstanding**" means, on any day: (a) in relation to a Covered Bond, the principal amount of that Covered Bond upon issue less the aggregate amount of any principal payments in respect of that Covered Bond which have become due and payable (and been paid or deposited in the relevant ledger of the Amortisation Reserve Account) on or prior to that day; and (b) in relation to the Covered Bonds outstanding at any time, the aggregate of the amount referred to in letter (a) above in respect of all Covered Bonds outstanding.

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

(i) all principal amounts collected by each Servicer in respect of the Cover Pool and credited to the Main Programme Account during the immediately preceding Collection Period;

(ii) all other Recoveries in respect of principal received by each Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

(iii) all principal amounts received by the Guarantor from each Seller pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(iv) the proceeds of any disposal of Eligible Assets and any disinvestment of the Eligible Assets;

(v) any amounts granted by each Subordinated Lender under the relevant Subordinated Loan Agreement and not used to fund the payment of the Purchase Price for any Eligible Assets;

(vi) all amounts other than in respect of interest received under any Swap Agreement;

(vii) any amounts paid out of item *Tenth* of the Pre-Issuer Default Interest Priority of Payments;

(viii) any amount paid to the Guarantor by the Issuer upon exercise by or on behalf of the Guarantor of the rights of subrogation (*surrogazione*) or recourse (*regresso*) against the Issuer pursuant to article 7-*quaterdecies*, paragraph 3 of Law 130;

(ix) after (a) delivery of an Issuer Default Notice in respect of any Series or Tranche of Covered Bonds and the deferral of the Maturity Date relating to such Series or Tranche of Covered Bonds to the Long Due for Payment Date and (b) occurrence of the relevant Maturity Date in respect of any other Series or Tranche of Covered Bonds, any Final Redemption Amount(s) accumulated on the Amortisation Reserve Account, provided that the Guarantor will allocate and pay such Final Redemption Amount(s) recorded on the ledgers of the Amortisation Reserve Account only pursuant to item (Sixth), letter (b) of the Guarantee Priority of Payments in respect of the corresponding Series or Tranche of Covered Bonds (excluding payment of any other items of the applicable Priority of Payments); and

(x) any principal amounts standing (other than amounts already allocated under other items of the Principal Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

"**Principal Balance**" means:

(i) for any Mortgage Loan as at any given date, the aggregate of: (a) the original principal amount advanced to the relevant Debtor and any further amount advanced on or before the given date to the relevant Debtor secured or intended to be secured by the related Security Interest; and (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Loan or with the relevant Debtor' s consent and added to the amounts secured or intended to be secured by that Mortgage Loan; and (c) any other amount (including, for the avoidance of doubt, Accrued Interest and interest in arrears) which is due or accrued (whether or not due) and which has not been paid by the relevant Debtor and has not been capitalised, as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date;

(ii) for any security as at any given date, the principal amount outstanding of that security (plus any accrued but unpaid interest thereon).

"**Principal Financial Centre**" has the meaning set out in the relevant Final Terms.

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

"**Principal Paying Agent**" means BMPS or any other entity acting in such capacity pursuant to the Cash Allocation, Management and Payments Agreement.

"**Priority of Payments**" means each of the orders in which the Guarantor Available Funds shall be applied on each Guarantor Payment Date in accordance with the Terms and Conditions and the Intercreditor Agreement.

"**Privacy Law**" means (i) the EU Regulation n.679/2016 ("**General Data Protection Regulation**" – "**GDPR**"); (ii) the Italian Legislative Decree no. 196 of 30 June 2003, as subsequently amended and modified or supplemented; as well as (iii) any regulations, guidelines and provisions, from time to time applicable, concerning the protection of personal data, adopted by the Supervisory Authority or other competent authority.

"**Programme**" means the programme for the issuance of each Series of Covered Bonds (*obbligazioni bancarie garantite*) by the Issuer in accordance with Title 1-*bis* of Law 130.

"**Programme Agreement**" means the programme agreement entered into on 23 May 2012 between the Issuer, the Guarantor, the Representative of the Bondholders and the Initial Dealers, 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.

"**Programme Documents**" means the Master Assets Purchase Agreement, the Master Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Cover Pool Management Agreement, the Programme Agreement, the Intercreditor Agreement, each Subordinated Loan Agreement, the Guarantee, the Account Pledge Agreement, the Corporate Services Agreement, the Swap Agreements, the Mandate Agreement, the Quotaholders' Agreement, the Prospectus, the Terms and Conditions, the Deed of Pledge, the Deed of Charge, the Master Definitions Agreement, the Asset Monitor Agreement, any Final Terms agreed in the context of the issuance of each Series or Tranche of Covered Bonds, the CACIB Account Pledge Agreement, the Master Amendment Agreement and any other agreement entered into in connection with the Programme, each as amended and supplemented from time to time.

"**Programme Limit**" means euro 20,000,000,000.

"**Programme Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which the Base Interest applies pursuant to terms of the relevant Subordinated Loan Agreement.

"**Prospectus**" means the prospectus prepared in the context of the issuance of the First Series of Covered Bonds, as eventually amended and supplemented from time to time.

"**Purchase Price**" means, as applicable, the Initial Portfolio Purchase Price or each New Portfolio Purchase Price pursuant to the Master Assets Purchase Agreement.

"**Quarterly Collection Period**" means (a) prior to the service of a Guarantor Default Notice, each period commencing on (and including) the Collection Date of January, April, July and October and ending on (but excluding), respectively, the Collection Date of April, July, October and January; and (b) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date of the Initial Portfolio and ending on (but excluding) the Collection Date falling in July 2012.

"**Quarterly Test Calculation Date**" means the 24th calendar day of January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day.

"**Quota Capital**" means the quota capital of the Guarantor.

"**Quota Capital Account**" means the account denominated in Euro opened in the name of the Guarantor with Banca Antonveneta, Conegliano, Agenzia 1, IBAN IT14U05040 61621000001285814, for the deposit of the Quota Capital.

"**Quotaholders**" means BMPS and SVM Securitisation Vehicles Management S.r.l., as quotaholders of the Guarantor.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered on 23 May 2012 between, *inter alios*, the Guarantor and the Quotaholders, 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.

"**Rate of Exchange**" has the meaning given to that term in the relevant Final Terms

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

"**Rating Agency**" means Morningstar DBRS and any other rating agency appointed as such under the Programme.

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

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

(i) all rights and claims in respect of the repayment of the Principal Instalments due and not paid at the relevant Valuation Date (excluded);

(ii) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans, which are due from (but excluding) the relevant Valuation Date;

(iii) the Accrued Interest;

(iv) all rights and claims in respect of each Mortgage and any Collateral Security (if any) relating to the relevant Loan Agreement;

(v) all rights and claims under and in respect of the Insurance Policies (if any); and

(vi) any privileges and priority rights (*diritti di prelazione*) transferable pursuant to the law, as well as any other right, claim or action (including any legal proceeding for the recovery of suffered damages, the remedy of termination (*risoluzione per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*) with respect to the Debtors) and any substantial and procedural action and defence, including the remedy of termination (*risoluzione per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*) with respect to the Debtors, inherent in or ancillary to the aforesaid rights and claims,

excluding any expenses for the correspondence and any expenses connected to the ancillary services requested by the relevant Debtor.

"**Recoveries**" means any amounts received or recovered by the Servicer in relation to any Defaulted Assets and/or any UTP Assets.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount (as any such terms are defined in the Terms and Conditions) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

"**Reference Banks**" (A) with respect to the Covered Bonds, has the meaning ascribed to it in the relevant Final Terms or, if none, four major banks selected by the Principal Paying Agent in the market that is most closely connected with the Reference Rate; and, (B) with respect to each Subordinated Loan Agreement, means four financial institutions of the greatest importance, acting on the interbank market of the member states of the European Union, as selected by the relevant Subordinated Lender and notified to the Guarantor Calculation Agent.

"**Reference Rate**" has the meaning ascribed to it in the relevant Final Terms.

"**Regular Period**" means:

(i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

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

"**Representative of the Bondholders**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the Programme Documents.

"**Required Reserve Amount**" means the aggregate of the amounts calculated by the Guarantor Calculation Agent on each Guarantor Calculation Date, in accordance with the following formula:

**A** ***plus*** **B**,

*where*:

"**A**" is the sum of all the amounts to be paid by the Guarantor on the following Guarantor Payment Date (i) under items from *First* to *Third* of the Pre-Issuer Default Interest Priority of Payments and (ii) as compensation for the activity of any of the Principal Servicer or the Additional Servicer under the terms of the Master Servicing Agreement.

"**B**" is the aggregate amount of all interest payable with respect of each series of Covered Bonds during the 6 (six) months period following the relevant Guarantor Calculation Date, which (i) in respect of the first quarter following the relevant Guarantor Calculation Date, shall be the interest payable on the relevant Series of Covered Bonds calculated on the basis of the reference rate (the "**Fixed Rate**") specified for such series of Covered Bonds pursuant to the applicable Final Terms; and (ii) in respect of the second quarter, shall be the interest payable on the relevant Series of Covered Bonds calculated on the basis of the same Fixed Rate.

"**Reserve Account**" means the account denominated in Euro opened in the name of the Guarantor and held by the Italian Account Bank (IBAN: IT 68 P 01030 14200 000010919758) or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Reserve Amount**" means the funds standing to the credit of the Reserve Account from time to time.

"**Residential Mortgage Loan**" means a loan secured by residential mortgage meeting the requirements of article 129, paragraph 1, lett. (d) of CRR and article 7-novies, paragraph 2, of Law 130.

"**Resolution Event**" means the starting of a resolution procedure vis-à-vis the Issuer pursuant to Legislative Decree No. 180/2015 and subject to the relevant implementing measures adopted by the competent resolution authority.

"**Residential Mortgage Loan Agreement**" means each of the agreements entered into with the relevant Debtor, pursuant to which a Residential Mortgage Loan is disbursed, as well as each deed, contract, agreement or supplement thereto or amendment thereof, or any document pertaining thereto (such as "*atti di accollo*").

"**Residential Mortgage Receivable**" means, a Receivables arising from a loan secured by residential mortgage meeting the requirements of article 129, paragraph 1, letter (d) of CRR and article 7-*novies,* paragraph 2, of Law 130.

"**Retention Amount**" means an amount equal to euro 50,000.00.

"**Rules of the Organisation of the Bondholders**" means the rules of the organisation of the Bondholders attached as exhibit 1 to the Terms and Conditions, 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.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

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

"**Security Interest**" means:

(i) any mortgage, charge, pledge, lien or other encumbrance 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 (including any title transfer and retention arrangement) having a similar effect.

"**Segregated Assets**" means the Guarantor's assets consisting of (a) the Cover Pool, (b) any amounts paid by the relevant Debtors and/or the Swap Providers and/or (c) any amounts received by the Guarantor pursuant to any other Programme Documents.

"**Segregation Event**" means the event occurring upon delivery of a Breach Test Notice pursuant to the Terms and Conditions.

"**Seller**" means any of the Main Seller and any Additional Seller pursuant to the Master Assets Purchase Agreement.

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

"**Servicer**" means any of the Main Servicer and any Additional Servicer pursuant to the Master Servicing Agreement.

"**Servicer Termination Event**" means any event as indicated in clause 10.1 of the Master Servicing Agreement.

"**Specified Currency**" means the currency as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Representative of the Bondholders (as set out in the applicable Final Terms).

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

"**Subordinated Lender**" means any of the Main Subordinated Lender and any Additional Subordinated Lender pursuant to the relevant Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means, as the case may be, the BMPS Subordinated Loan Agreement or any other subordinated loan agreement entered between an Additional Subordinated Lender and the Guarantor 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.

"**Subordinated Loan Availability Period**" means the period starting from the date of execution of the relevant Subordinated Loan Agreement and ending on the date on which all the Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full pursuant

to the Terms and Conditions and the applicable Final Terms, in which the relevant Subordinated Lender may disburse to the Guarantor, on each Drawdown Date, a Term Loan.

"**Subscription Agreement**" means each subscription agreement entered on or about the Issue Date of each Series or Tranche of Covered Bonds between, *inter alios*, each Dealer and the Issuer.

"**Substitute Servicer**" means, with reference to each Servicer, the substitute which will be appointed upon the occurrence of a Servicer Termination Event pursuant to clause 10.6 of the Master Servicing Agreement.

"**Swap Agreements**" means any swap agreement which may be entered into by the Guarantor in the context of the Programme, 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.

"**Swap Providers**" means any entity which may act as swap counterparty to the Guarantor by entering into a Swap Agreement in the context of the Programme.

"**T2**" means the real time gross settlement system operated by the Eurosystem (T2) combining the functionalities of a Real Time Gross Settlement (RTGS) system with those of a Central Liquidity Management (CLM) system and which utilises a single shared platformand which was launched on 20 March 2023.

"**T2 Settlement Day**" means any day on which the T2 is open for the settlement of payments in Euro.

"**Target Commingling Amount**" has the meaning given to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

"**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 subdivision thereof or any authority thereof or therein.

"**Term Loan**" means any term loan in the form of a Programme Term Loan or Fixed Interest Term Loan or Floating Interest Term Loan, made or to be made available to the Guarantor on each Drawdown Date under the Subordinated Loan Agreement or the principal amount outstanding for the time being of that loan.

"**Term Loan Proposal**" means an "*Offerta di Finanziamento Subordinato*" as such term is defined in the relevant Subordinated Loan Agreement.

"**Terms and Conditions**" means these terms and conditions.

"**Test Calculation Agent**" means BMPS or any other entity acting in such capacity pursuant to the Cover Pool Management Agreement, as the case may be.

"**Test Calculation Date**" means, following the delivery of a Test Performance Report evidencing the breach of any of the Mandatory Tests and/or Asset Coverage Test and/or the Liquidity Reserve Requirement, the 24th calendar day of the second calendar month falling after the delivery of such Test Performance Report.

"**Test Grace Period**" means the period starting on the Test Performance Report Date on which a Test Performance Report notifying the breach of any of the Mandatory Tests and/or of the Asset Coverage Test is notified by the Test Calculation Agent and ending on the following Test Calculation Date.

"**Test Performance Report**" means the Pre-Issuer Default Test Performance Report or the Post-Issuer Default Test Performance Report, as the case may be.

"**Test Performance Report Date**" means (i) the 24th calendar day of each January, April, July and October of each year, and (ii) upon delivery of a Test Performance Report evidencing the breach of any of the Mandatory Tests and/or Asset Coverage Test, the 24th calendar day of the second calendar month following the delivery of such Test Performance Report.

"**Test Remedy Period**" means the period starting from the date on which a Breach of Tests Notice is delivered and ending on the immediately following Quarterly Test Calculation Date.

"**Tests**" means, collectively, the Mandatory Tests, the Asset Coverage Test and the Amortisation Test and the Liquidity Reserve Requirement and "**Test**" means any of them.

"**Total Commitment**" means, in respect of each Subordinated Lender, the commitment specified in the relevant Subordinated Loan Agreement.

"**Tranche**" or "**Tranches of Covered Bonds**" means each tranche of Covered Bonds which may be comprised in a Series of Covered Bonds.

"**Transaction Accounts**" means the accounts opened with the Italian Account Bank under the Programme, other than the BMPS Italian Collection Account.

"**Transfer Agreement"** means each transfer agreement of New Portfolios entered into between the Guarantor and the Main Seller, or each Additional Seller, pursuant to clause 4 of the Master Assets Purchase Agreement.

"**Transfer Proposal**" means, in respect to each New Portfolio, the transfer proposal which will be sent by the relevant Seller and addressed to the Guarantor substantially in the form set out in schedule 5 to the Master Assets Purchase Agreement.

"**Treaty**" means the treaty establishing the European Community.

"**Usury Law**" means Law number 108 of 7 March 1996, together with Decree number 349 of 29 December 2000 as converted into Law number 24 of 28 February 2001.

"**UTP Assets**" (*Attivi UTP*) meas the UTP Receivables.

"**UTP Receivables**" (*Crediti UTP)* means any Receivable classified as unlikely-to-pay loan (*inadempienza probabile*) pursuant to the Circular no. 272/2008 (*Matrice dei Conti*) issued by the Bank of Italy, as subsequently modified and supplemented, and, as such, signalled to the "*Centrale dei Rischi*" pursuant to the Circular No. 139/1991 of the Bank of Italy, as subsequently modified and supplemented.

"**Valuation Date**" means (i) with respect to the Initial Portfolio, 27 April 2012 and (ii) with respect to any New Portfolios, the date that will be agreed between the relevant Seller and the Guarantor.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered on 30 April 2012 between the Main Seller and the Guarantor, and, following accession to the Programme, each Additional Seller, 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.

"**Zero Coupon Covered Bonds**" means the Covered Bonds, bearing no interest, which may be offered and sold at a discount to their nominal amount, as specified in the applicable Final Terms.

"**€STR**" means the euro short-term rate published by the European Central Bank.

2.2 *Interpretation*

In these Terms and Conditions:

2.2.1 any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Series or Tranche of Covered Bonds and any other amount in the nature of principal payable pursuant to these Terms and Conditions;

2.2.2 any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;

2.2.3 if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms give no such meaning or specify that such expression is "not applicable" then such expression is not applicable to the relevant Covered Bonds;

2.2.4 any reference to a Programme Document shall be construed as a reference to such Programme Document, as amended and/or supplemented up to and including the Issue Date of the relevant Covered Bonds;

2.2.5 any reference to a party to a Programme Document (other than the Issuer and the Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Programme Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Series or Tranche only; and

2.2.6 any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 3. DENOMINATION, FORM AND TITLE

The Covered Bonds are in the Specified Denomination or Specified Denominations which may include a minimum denomination of €100,000 (or, where the Specified Currency is a currency other than euro, the equivalent amount in such Specified Currency) and higher integral multiples of a smaller amount, all as specified in the relevant Final Terms. The Covered Bonds will be issued in dematerialised form or in any other form as set out in the relevant Final Terms. The Covered Bonds issued in dematerialised form will be held on behalf of their ultimate owners by Euronext Securities Milan for the account of Euronext Securities Milan Account Holders and title thereto will be evidenced by book entries 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 subsequently amended and supplemented from time to time. The Covered Bonds issued in dematerialised form will be held by Euronext Securities Milan on behalf of the Bondholders until redemption or cancellation thereof for the account of the relevant Euronext Securities Milan Account Holder. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form. The rights and powers of the Bondholders may only be exercised in accordance with these Terms and Conditions and the Rules.

## 4. STATUS AND GUARANTEE

### 4.1 *Status of the Covered Bonds*

The Covered Bonds constitute direct, unconditional, unsecured and unsubordinated obligations

of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the Bondholders will be collected by the Guarantor on their behalf, provided that, pursuant to article 7-*quaterdecies* of Law 130, further enforcement of the Guarantee, the Bondholders shall participate in the final distribution of the Issuer's assets in respect of any residual amount due to them with any other unsecured creditor including – pursuant to article 7-*quaterdecies* of Law 130 – any derivative transaction counterparty.

4.2 *Status of the Guarantee*

The payment of Guaranteed Amounts in respect of each Series or Tranche of Covered Bonds when Due for Payment will be unconditionally and irrevocably guaranteed by the Guarantor in the Guarantee. The recourse of the Bondholders to the Guarantor under the Guarantee will be limited to the assets of the Cover Pool. Payments made by the Guarantor under the Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Bondholders.

## 5. FIXED RATE PROVISIONS

5.1 *Application*

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

5.2 *Accrual of interest*

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment). If payment of the Final Redemption Amount on the Maturity Date is deferred in whole or in part pursuant to Condition 9.2 (*Extension of maturity*), the Floating Rate Provision will apply (as specified in the Final Terms).

5.3 *Fixed Coupon Amount*

The amount of interest payable in respect of each Covered Bond for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Covered Bonds are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

5.4 *Calculation of interest amount*

The amount of interest payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination

of such Covered Bond divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 6. FLOATING RATE PROVISIONS

### 6.1 *Application*

This Condition 6 is applicable to the Covered Bonds only if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable.

### 6.2 *Accrual of interest*

The Covered Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

### 6.3 *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be determined by the Principal Paying Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Principal Paying Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Principal Paying Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Principal Paying Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Principal Paying Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Principal Paying Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Principal Paying Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the

Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Principal Paying Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Covered Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Covered Bonds in respect of a preceding Interest Period.

6.4 *ISDA Determination*

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Covered Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Principal Paying Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

6.4.1 the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

6.4.2 the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

6.4.3 the relevant Reset Date (as defined in the ISDA Definitions), as specified in the relevant Final Terms.

6.5 *Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be lower than the minimum so specified.

6.6 *Calculation of Interest Amount*

The Principal Paying Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Covered Bond for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Covered Bond divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6.7 *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Principal Paying Agent, then the Principal Paying Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Principal Paying Agent in the manner specified in the relevant

Final Terms.

6.8 *Publication*

The Principal Paying Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agent(s) and each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Bondholders. The Principal Paying Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Principal Paying Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Covered Bond having the minimum Specified Denomination.

6.9 *Notifications etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Principal Paying Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agent(s), the Bondholders and (subject as aforesaid) no liability to any such Person will attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7. **BENCHMARK REPLACEMENT**

7.1 Notwithstanding the provisions in Condition 6 (*Floating Rate Provisions*), if the Issuer determines that the relevant Reference Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page, or a Benchmark Disruption Event (as defined below) occur (even if the rate continues to be published), when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(a) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Covered Bonds;

(b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of

the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in this Condition 7); provided, however, that if paragraph (b) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Covered Bonds in respect of the preceding Interest Period (subject to the subsequent operation of, and to adjustment as provided in this Condition 7); for the avoidance of doubt, the provision in this sub-paragraph shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7);

(d) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Covered Bonds, and the method for determining the fallback rate in relation to the Covered Bonds, in order to follow the prevailing market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread (as defined below) is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Representative of the Bondholders shall, at the direction and expense of the Issuer, authorise such consequential amendments to the Programme Documents and these Conditions as may be required in order to give effect to this Condition 7;

(e) Bondholders' consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps (if required); and

(f) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give written notice thereof to the Principal Paying Agent, the Representative of the Bondholders and the Bondholders specifying (i) which of the Benchmark Disruption Event occurred, (ii) the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and (iii) any consequential changes made to these Conditions, provided that a prior written notice has been sent to the Rating Agency within an appropriate period of time.

For the purposes of this Condition 7:

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or

the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined below); or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary and prevailing market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary and prevailing market usage can be determined or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary and prevailing market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

"**Benchmark Disruption Event**" means any event which could have a material impact on the Reference Rate, including but not limited to:

(i) a material disruption to the Reference Rate, a material change in the methodology of calculating the Reference Rate or the Reference Rate ceasing to exist or be published, or the administrator of the Reference Rate having used a fallback methodology for calculating the Reference Rate for a period of at least 30 calendar days; or

(ii) the insolvency or cessation of business of the administrator of the Reference Rate (in circumstances where no successor administrator has been appointed); or

(iii) a public statement by the administrator of the Reference Rate that it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate) with effect from a date no later than 6 months after the proposed effective date of such benchmark replacement; or

(iv) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Reference Rate with effect from a date no later than 6 months after the proposed effective date of such benchmark replacement; or

(v) a public statement by the supervisor of the administrator of the Reference Rate that means the Reference Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such benchmark replacement; or

(vi) a change in the generally accepted market practice in the market to refer to a Reference Rate endorsed in a public statement by the prudential regulation authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, despite the continued existence of the Reference Rate; or

(vii) it having become unlawful and/or impossible and/or impracticable for the Principal Paying Agent or the Issuer to calculate any payments due to be made to any Bondholders using the Reference Rate;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a reference rate or mid-swap benchmark rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate or mid-swap benchmark rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap benchmark rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

## 8. ZERO COUPON PROVISIONS

8.1 *Application*

This Condition 8 is applicable to the Covered Bonds only if the Zero Coupon Provisions are specified in the relevant Final Terms as being applicable.

8.2 *Late payment on Zero Coupon Covered Bonds*

If the Redemption Amount payable in respect of any Zero Coupon Covered Bond is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

8.2.1 the Reference Price; and

8.2.2 the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any sub sequent default in payment).

## 9. REDEMPTION AND PURCHASE

9.1 *Scheduled redemption*

Unless previously redeemed or cancelled and subject as otherwise specified in the relevant Final Terms, the Covered Bonds will be redeemed at their Final Redemption Amount on the Maturity

Date, subject as provided in Condition 9.2 (*Extension of maturity*) and Condition 10 (*Payments*).

9.2 *Extension of maturity*

9.2.1 Without prejudice to Condition 12 (*Segregation Event and Events of Default*), if an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date specified in the relevant Final Terms and the Guarantor or the Guarantor Calculation Agent on its behalf determines that the Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series or Tranche of Covered Bonds on the date falling on the Extension Determination Date, then (subject as provided below and to article 7-*terdecies,* paragraph 2 of Law 130), payment of the unpaid amount by the Guarantor under the Guarantee shall be automatically deferred until the Extended Maturity Date **provided that** any amount representing the Final Redemption Amount due and remaining unpaid after the Extension Determination Date may be paid by the Guarantor on any Interest Payment Date thereafter up to (and including) the relevant Extended Maturity Date in accordance with the applicable Priority of Payments.

9.2.2 The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and, in any event, at least four Business Days prior to the Maturity Date as to whether payment will or will not be made in full of the Final Redemption Amount in respect of the Covered Bonds on that Maturity Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

9.2.3 The Guarantor shall notify the relevant holders of the Covered Bonds, the Representative of the Bondholders, any relevant Swap Provider(s), the Rating Agency and the Principal Paying Agent as soon as reasonably practicable and, in any event, at least one Business Day prior to the Maturity Date as specified in the preceding paragraph of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the Covered Bonds pursuant to the Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

9.2.4 In the circumstances outlined above, the Guarantor shall on the Extension Determination Date, pursuant to the Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priority of Payments) *pro rata* as payment of an amount equal to the Final Redemption Amount in respect of the Covered Bonds and shall pay Guaranteed Amounts constituting interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount on such Extension Determination Date not so paid shall be deferred as described above.

9.2.5 Interest will continue to accrue on any unpaid amount during such extended period and be payable on the Maturity Date and on each Interest Payment Date up to and on the Extended Maturity Date.

9.2.6 Where an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds and applied, failure to pay on the Maturity Date by the Guarantor shall not constitute a Guarantor Event of Default.

9.2.7 The Issuer shall notify the Bank of Italy of the deferral until the Extended Maturity Date

in accordance with the terms of the Bank of Italy Regulations.

9.3 *Redemption for tax reasons*

9.3.1 The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time ; or

(ii) on any Interest Payment Date,

on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their Early Termination Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Series of the Covered Bonds; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Covered Bonds may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due; or

(B) where the Covered Bonds may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due.

9.3.2 Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9.3 (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Covered Bonds in accordance with this Condition 9.3 (*Redemption for tax reasons*).

9.4 *Redemption at the option of the Issuer*

If the Call Option is specified in the relevant Final Terms as being applicable, the Covered Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Covered Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

9.5 *Redemption at the option of Bondholders*

If the Put Option is specified in the relevant Final Terms as being applicable, prior to an Issuer Event of Default, the Issuer shall, at the option of any Bondholder redeem such Covered Bonds held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5 (*Redemption at the option of the Bondholders*), the Bondholder must, not less than 30 nor more than 45 days before the relevant Optional Redemption Date (Put), deposit with the Principal Paying Agent a duly completed Put Option Notice in the form obtainable from the Principal Paying Agent. The Principal Paying Agent with which a Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the deposit in Bondholder. Once deposited in accordance with this Condition 9.5 (*Redemption at the option of the Bondholders*), no duly completed Put Option Notice may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any Covered Bonds become immediately due and payable or, upon due presentation of any such Covered Bonds on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the Principal Paying Agent shall mail notification thereof to the Bondholder at such address as may have been given by such Bondholder in the relevant Put Option Notice and shall hold such Covered Bond against surrender of the relevant Put Option Receipt. For so long as any outstanding Covered Bonds are held by the Principal Paying Agent in accordance with this Condition 9.5 (*Redemption at the option of the Bondholders*), the Bondholder and not the Principal Paying Agent shall be deemed to be the holder of such Covered Bonds for all purposes.

9.6 *Partial redemption*

If the Covered Bonds are to be redeemed in part only, on any date in accordance with Condition 9.4 (*Redemption at the option of the Issuer*), the Covered Bonds to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the Covered Bonds issued in dematerialised form will be so redeemed in accordance with the rules and procedures of Euronext Securities Milan and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation. The notice to Bondholders referred to in Condition 9.4 (*Redemption at the option of the Issuer*) shall specify the proportion of the Covered Bonds so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

9.7 *Early redemption of Zero Coupon Covered Bonds*

9.7.1 Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Covered Bonds at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bonds become due and payable.

9.7.2 Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on

the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9.7 (*Early redemption of Zero Coupon Covered Bonds*) or, if none is so specified, a Day Count Fraction of 30E/360.

9.8 *Redemption by instalments*

If the Covered Bonds are specified in the relevant Final Terms as being amortising and redeemable in instalments they will be redeemed in such number of instalments, in such amounts ("**Instalment Amounts**") and on such dates as may be specified in or determined in accordance with the relevant Final Terms and upon each partial redemption as provided by this Condition 9.8 (*Redemption by instalments*) the outstanding principal amount of each such Covered Bonds shall be reduced by the relevant Instalment Amount for all purposes.

9.9 *No other redemption*

The Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in Condition 9.1 (*Scheduled redemption*) to 10.8 (*Redemption by instalments*) above or as specified in the relevant Final Term.

9.10 *Purchase*

The Issuer or any of its Subsidiaries (other than the Guarantor) may at any time purchase Covered Bonds in the open market or otherwise and at any price. The Guarantor shall not purchase any Covered Bonds at any time.

9.11 *Cancellation*

All Covered Bonds which are redeemed shall be cancelled and may not be reissued or resold.

10. **PAYMENTS**

10.1 *Payments through clearing systems*

Payment of interest and repayment of principal in respect of the Covered Bonds issued in dematerialised form will be credited, in accordance with the instructions of Euronext Securities Milan, by the Principal Paying Agent on behalf of the Issuer or the Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Euronext Securities Milan are credited with those Covered Bonds and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Covered Bonds or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those Covered Bonds, in accordance with the rules and procedures of Euronext Securities Milan and of the Relevant Clearing Systems, as the case may be.

10.2 *Other modalities of payments*

Payment of interest and repayment of principal in respect of the Covered Bonds issued in a form other than dematerialised will be made through the agent or registrar and pursuant to the modalities provided for in the relevant Final Terms.

10.3 *Payments subject to fiscal laws*

All payments in respect of the Covered Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the Place of Payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to Bondholders in respect of such payments.

10.4 *Payments on Business Days*

If the due date for payment of any amount in respect of any Covered Bond is not a Payment

Business Day in the Place of Payment, the Bondholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

## 11. TAXATION

### 11.1 *Gross-up by Issuer*

All payments of principal and interest in respect of the Covered Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond:

(i) in respect of any payment or deduction on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Decree 239 with respect to any Covered Bonds and in all circumstances in which the procedures set forth in Decree 239 have not been met or complied with except where such procedures have not been met or complied with due only to the actions or omissions of the Issuer or its agents; or

(ii) held by or on behalf of a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Covered Bonds by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Covered Bonds; or

(iii) where the Bondholder would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or

(iv) held by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond to another Paying Agent in a Member State of the EU; or

(v) held by or on behalf of a Bondholder who is entitled to avoid such withholding or deduction in respect of such Covered Bonds by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or

(vi) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(vii) classified as atypical securities where such withholding or deduction is required under Law Decree No. 512 of September 30, 1983, as amended and supplemented from time to time.

For the avoidance of doubt, if an amount were to be deducted or withheld from interest, principal or other payments on the Covered Bonds as a result of an agreement described in Section 1471 (b) of the

U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("FATCA") none of the Issuer, the Guarantor, any paying agent or any other persons would, pursuant to the terms and conditions of the Covered Bonds, be required to pay additional amounts as a result of deduction or the withholding.

11.2 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Terms and Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.3 *No Gross-up by the Guarantor*

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of the Republic of Italy, any authority therein or thereof having power to tax, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Bondholders.

## 12. SEGREGATION EVENT AND EVENTS OF DEFAULT

12.1 *Segregation Event*

12.1.1 A Breach of Tests Notice will be delivered by the Representative of the Bondholders in case of breach of any of the Mandatory Tests and/or the Asset Coverage Test on the relevant Quarterly Test Calculation Date, which in either case has not been remedied within the applicable Test Grace Period.

12.1.2 Upon delivery of a Breach of Tests Notice, a Segregation Event will occur and:

(a) no further Series or Tranche of Covered Bonds may be issued by the Issuer;

(b) there shall be no further payments to the Subordinated Lender under any relevant Term Loan, other than when necessary for the purpose of complying with article 129, paragraph 1a. of the CRR as better specified in the Cover Pool Management Agreement (and to the extent that no purchase of Eligible Assets is possible to this effect in accordance with the provisions of the Master Assets Purchase Agreement and the Cover Pool Management Agreement and/or in compliance with the limits set out in the Bank of Italy Regulations);

(c) the purchase price for any Eligible Assets to be acquired by the Guarantor shall be paid only using the proceeds of a Term Loan, except where the breach referred to in the Breach of Tests Notice may be cured by using the Guarantor Available Funds;

(d) the Main Servicer (and any Additional Servicer, if any) will be prevented from carrying out renegotiations of the Loans pursuant to the Master Servicing Agreement; and

(e) payments due under the Covered Bonds will continue to be made by the Issuer until an Issuer Default Notice has been delivered.

12.1.3 Following the delivery of a Breach of Tests Notice, but prior to the delivery of an Issuer Default Notice, if any of the Mandatory Tests and/or the Asset Coverage Test is/are then newly met within the Test Remedy Period, the Representative of the Bondholders will promptly deliver to the Issuer and the Guarantor a Breach of Tests Cure Notice

informing such parties that the Breach of Tests Notice then outstanding has been revoked.

12.2 *Issuer Events of Default*

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

(i) *Non-payment*: the Issuer fails to pay any amount of interest and/or principal due and payable on any Series or Tranche of Covered Bonds and such breach is not remedied within 15 Business Days, in case of amounts of interest, or 20 Business Days, in case of amounts of principal, as the case may be; or

(ii) *Breach of other obligations:* a material breach by the Issuer of any obligation under the Programme Documents occurs (other than payment obligations referred to in item (i) (*Non-payment*) above) and such breach is not remedied within 30 days after the Representative of the Bondholders has given written notice thereof to the Issuer; or

(iii) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or

(iv) *Article 74 Event*: a resolution pursuant to article 74 of the Consolidated Banking Act is issued in respect of the Issuer; or

(v) *Breach of Mandatory Tests and/or Asset Coverage Test*: following the delivery of a Breach of Tests Notice, any of the Mandatory Tests and/or the Asset Coverage Test is not met at the end of the Test Remedy Period, unless a Programme Resolution of the Bondholders is passed resolving to extend the Test Remedy Period,

then the Representative of the Bondholders shall, or, in the case of the event under item (ii) (*Breach of other obligations*) above shall, if so directed by a Programme Resolution, serve an Issuer Default Notice on the Issuer and the Guarantor demanding payment under the Guarantee, and specifying, in case of the Issuer Event of Default referred to under item (iv) (*Article 74 Event*) above, that the Issuer Event of Default may be temporary.

12.2.2 Upon the service of an Issuer Default Notice:

(a) *Application of the Segregation Event provisions*: the provisions governing the Segregation Event referred to in Condition 12.1.2 shall apply; and

(b) *Guarantee*: (i) interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under the Terms and Conditions and the Final Terms of the relevant Series or Tranche of Covered Bonds, subject to and in accordance with the terms of the Guarantee and the relevant Priority of Payment. In this respect, the payment of any Guaranteed Amounts which are Due for Payment in respect of a Series or Tranche of Covered Bonds whose Interest Payment Date or Maturity Date (or Extended Maturity Date, if applicable) falls within two Business Days immediately after delivery of an Issuer Default Notice, will be made by the Guarantor within the date falling five Business Days following such delivery, it being understood that the above provision will apply only (A) in respect of the first Interest Payment Date of the relevant Series or Tranche of Covered Bonds and (B) in respect of the Maturity Date (or Extended Maturity Date, if applicable) of the Earliest Maturing Covered Bonds; (ii) the Guarantor (or the Representative of the Bondholders pursuant to

the Intercreditor Agreement) shall be entitled to request from the Issuer an amount up to the Guaranteed Amounts and any sum so received or recovered from the Issuer will be used to make payments in accordance with the Guarantee; and

(c) *Disposal of Eligible Assets*: if necessary, in order to make payments under the Covered Bonds, the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholder, shall sell, or otherwise liquidate, the Eligible Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement,

provided that, in case of the Issuer Event of Default determined by a resolution issued in respect of the Issuer pursuant to article 74 of the Consolidated Banking Act (referred to under item (iv) (*Article 74 Event*) above) (the "**Article 74 Event**"), the effects listed in items (a) (*Application of the Segregation Event provisions*), (b) (*Guarantee*) and (c) (*Disposal of Eligible Assets*) above will only apply for as long as the suspension of payments pursuant to article 74 of the Consolidated Banking Act will be in force and effect (the "**Suspension Period**"). Accordingly, (A) during the Suspension Period, the Guarantor shall be responsible for the payments of the amounts due and payable under the Covered Bonds, in accordance with Law 130, and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the Covered Bonds.

12.3 *Guarantor Events of Default*

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

(i) *Non-payment*: the Guarantor fails to pay any Guaranteed Amount under the Guarantee and such breach is not remedied within the next following 15 Business Days, in case of amounts of interests, or 20 Business Days, in case of amounts of principal, as the case may be; or

(ii) *Insolvency*: an Insolvency Event occurs with respect to the Guarantor; or

(iii) *Breach of other obligations:* a material breach of any obligation under the Programme Documents by the Guarantor occurs (other than payment obligations referred to in item (i) (*Non-payment*) above) which is not remedied within 30 days after the Representative of the Bondholders has given written notice thereof to the Guarantor; or

(iv) *Breach of the Amortisation Tests:* the Amortisation Tests is breached on any Quarterly Test Calculation Date, provided that the Amortisation Test shall not apply and no Guarantor Event of Default will occur, if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bond,

then the Representative of the Bondholders shall serve a Guarantor Default Notice, unless the Representative of the Bondholders, having exercised its discretion, resolves otherwise or a Programme Resolution of the Bondholders is passed resolving otherwise.

12.3.2 Upon the delivery of a Guarantor Default Notice, unless a Programme Resolution is passed resolving otherwise:

(a) *Acceleration of Covered Bonds:* the Covered Bonds shall become immediately due

and payable at their Early Termination Amount together, if appropriate, with any accrued interest and will rank *pari passu* among themselves in accordance with the Post-Enforcement Priority of Payments;

(b) *Guarantee*: subject to and in accordance with the terms of the Guarantee, the Representative of the Bondholders, on behalf of the Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Termination Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 11.1 (*Gross-up by Issuer*) in accordance with the Priority of Payments;

(c) *Disposal of Eligible Assets*: the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholder, shall immediately sell, or otherwise liquidate, all the Eligible Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement; and

(d) *Enforcement*: the Representative of the Bondholders may, at its discretion and without further notice, subject to adequate satisfaction before doing so, take such steps and/or institute such proceedings against the Issuer or the Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by a resolution of the Bondholders.

12.4 *Determinations, etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 12 by the Representative of the Bondholders shall (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*) or manifest error) be binding on the Issuer, the Guarantor and all Bondholders and (in such absence as aforesaid) no liability to the Bondholders, the Issuer or the Guarantor shall attach to the Representative of the Bondholders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

## 13. LIMITED RECOURSE AND NON PETITION

13.1 *Limited recourse*

The obligations of the Guarantor under the Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under Law 130 and the Bank of Italy Regulations. The recourse of the Bondholders to the Guarantor under the Guarantee will be limited to the Segregated Assets subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Bondholders.

13.2 *Non petition*

Only the Representative of the Bondholders may pursue the remedies available under the general law or under the Programme Documents to obtain payment of the Guaranteed Obligations or enforce the Guarantee and/or the Security and no Bondholder shall be entitled to proceed directly against the Guarantor to obtain payment of the Guaranteed Obligations or to enforce the Guarantee and/or the Security. In particular:

13.2.1 no Bondholder (nor any person on its behalf, except the Representative of the Bondholders) is entitled, otherwise than as permitted by the Programme Documents, to direct the Representative of the Bondholders to enforce the Guarantee and/or Security

or take any proceedings against the Guarantor to enforce the Guarantee and/or the Security;

13.2.2 no Bondholder (nor any person on its behalf, except the Representative of the Bondholders) shall have the right to take or join any person in taking any steps against the Guarantor for the purpose of obtaining payment of any amount due from the Guarantor;

13.2.3 until the date falling two years and one day after the date on which all Series and Tranches of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant final Terms no Bondholder (nor any person on its behalf, except the Representative of the Bondholders) shall initiate or join any person in initiating an Insolvency Event in relation to the Guarantor; and

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

## 14. PRESCRIPTION

Claims for payment under the Covered Bonds shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

## 15. REPRESENTATIVE OF THE BONDHOLDERS

15.1 *Organisation of the Bondholders*

The Organisation of the Bondholders shall be established upon, and by virtue of, the issue of the first Series of Covered Bonds under the Programme and shall remain in force and in effect until repayment in full or cancellation of all the Covered Bonds of whatever Series or Tranche. Pursuant to the Rules, for as long as any Covered Bonds of any Series or Tranche are outstanding, there shall at all times be a Representative of the Bondholders. The appointment of the Representative of the Bondholders as representative of the Organisation of the Bondholders is made by the Bondholders subject to and in accordance with the Rules.

15.2 *Initial appointment*

In the Programme Agreement, the Dealer has appointed the Representative of the Bondholders to perform the activities described in the Mandate Agreement, in the Programme Agreement, in these Terms and Conditions (including the Rules), and in the other Programme Documents and the Representative of the Bondholders has accepted such appointment for the period commencing on the First Issue Date and ending (subject to early termination of its appointment) on the date on which all of the Covered Bonds of whatever Series and Tranche have been cancelled or redeemed in accordance with their respective terms and conditions.

15.3 *Acknowledgment by Bondholders*

Each Bondholder, by reason of holding Covered Bonds:

(i) recognises the Representative of the Bondholders as its representative and (to the fullest extent permitted by law) agrees to be bound by the Programme Documents; and

(ii) acknowledges and accepts that no Dealer shall be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Bondholders as a result of the performance by the Representative of the Bondholders of its duties or the exercise of any of its rights under the Programme Documents.

## 16. AGENTS

16.1 In acting under the Cash Allocation, Management and Payments Agreement and in connection with the Covered Bonds, the Issuer will act as Principal Paying Agent and, within 30 Business Days following delivery of an Issuer Default Notice or a Guarantor Default Notice, the Guarantor will appoint, subject to the prior consent of the Main Servicer, a substitute Principal Paying Agent.

16.2 The Principal Paying Agent and its initial Specified Office is set out in these Terms and Conditions. Any additional Paying Agents and their Specified Offices are specified in the relevant Final Terms. The Issuer and, upon delivery of an Issuer Default Notice, the Guarantor, reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; **provided**, **however**, **that**:

(a) the Issuer and, upon delivery of an Issuer Default Notice, the Guarantor, shall at all times maintain a principal paying agent; and

(b) the Issuer and the Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax; and

(c) if and for so long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system.

16.3 Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Bondholders.

## 17. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Bondholders, create and issue further Covered Bonds, as set out in the relevant Final Terms, having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.

## 18. NOTICES

18.1 *Notices given through Euronext Securities Milan*

Any notice regarding the Covered Bonds issued in dematerialised form, as long as the Covered Bonds are held through Euronext Securities Milan, shall be deemed to have been duly given if given through the systems of Euronext Securities Milan.

18.2 *Other publication*

The Representative of the Bondholders shall be at liberty to sanction any other method of giving notice to Bondholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the competent authority, stock exchange and/or quotation system by which the Covered Bonds are then admitted to listing, trading and/or quotation and **provided that** notice of such other method is given to the holders of the Covered Bonds in such manner as the Representative of the Bondholders shall require.

## 19. ROUNDING

For the purposes of any calculations referred to in these Terms and Conditions (unless otherwise specified in these Terms and Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to

0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 20. GOVERNING LAW AND JURISDICTION

### 20.1 *Governing law*

The Covered Bonds, and any non-contractual obligations arising out of, or in connection with them, will be governed by Italian law, or with reference to a specific Series or Tranche of Covered Bonds, any other law set out in the relevant Final Terms. These Terms and Conditions and the related Programme Documents will be governed by Italian law, except for the Swap Agreements and the Deed of Charge, which will be governed by English law.

### 20.2 *Jurisdiction*

The courts of Siena have exclusive competence for the resolution of any dispute that may arise in relation to the Covered Bonds or their validity, interpretation or performance.

### 20.3 *Relevant legislation*

Anything not expressly provided for in these Terms and Conditions will be governed by the provisions of Law 130 and, if applicable, article 58 of the Consolidated Banking Act and the Bank of Italy Regulations.

## RULES OF THE ORGANISATION OF THE BONDHOLDERS

## TITLE I

## GENERAL PROVISIONS

### 1. GENERAL

1.1 The Organisation of the Bondholders in respect of all Covered Bonds of whatever Series or Tranche issued under the Programme by Banca Monte dei Paschi di Siena S.p.A. is created concurrently with the issue of and subscription of the Covered Bonds of the first Series to be issued and is governed by the Rules of the Organisation of the Bondholders set out therein ("**Rules**").

1.2 These Rules shall remain in force and effect until full repayment or cancellation of all the Covered Bonds of whatever Series or Tranche.

1.3 The contents of these Rules are deemed to be an integral part of the Terms and Conditions of the Covered Bonds of each Series or Tranche 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:

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by a Paying Agent:

(a) certifying that specified Covered Bonds are held to the order of a 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 which issued the same not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Covered Bonds are Blocked Covered Bonds and notification of the release thereof by such Paying Agent to the Issuer and Representative of the Bondholders;

(b) certifying that the Holder of the relevant Blocked Covered Bonds or a duly authorised person on its behalf has notified the relevant Paying Agent that the votes attributable to such Covered Bonds are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the aggregate principal amount of such specified Blocked Covered Bonds, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions.

"**Blocked Covered Bonds**" means Covered Bonds which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of a Paying Agent for the purpose of obtaining from that Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the

conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

"**Euronext Securities Milan Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan (as intermediari aderenti) in accordance with article 30 of Decree number 213 and includes any depositary banks approved by Clearstream and Euroclear.

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Covered Bond means the ultimate owner of such Covered Bond.

"**Liabilities**" means all costs, charges, damages, expenses, liabilities and losses.

"**Meeting**" means a meeting of Bondholders (whether originally convened or resumed following an adjournment).

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in these Rules by a majority of more than 50% of the votes cast.

"**Programme Resolution**" means an Extraordinary Resolution passed at a single meeting of, or by means of a Written Resolution adopted by, the Bondholders of all Series and or Tranches, resolving to (i) direct the Representative of the Bondholders to take any action pursuant to Condition 12.2 (*Issuer Events of Default*), Condition 12.3 (*Guarantor Events of Default*) or to appoint or remove the Representative of the Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*); or (ii) take any other action stipulated in the Terms and Conditions or Programme Documents as requiring a Programme Resolution.

"**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:

1. any person whose appointment has been revoked and in relation to whom the relevant Paying Agent, or, in the case of a proxy appointed under a Voting Certificate, the Issuer, has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and
2. 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, the Extraordinary Resolutions and the Programme Resolution, collectively.

"**Swap Rate**" means, in relation to a Covered Bond, Series or Tranche of Covered Bonds, the rate specified in any Swap Agreement relating to such Covered Bond, Series or Tranche of Covered Bonds or, if there is no rate specified or if the Swap Agreements have terminated, the applicable spot rate.

"**Transaction Party**" means any person who is a party to a Programme Document.

"**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 a Paying Agent or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting:

1. a certificate issued by a Euronext Securities Milan Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or

2. a certificate issued by a Paying Agent stating that:

   (i) Blocked Covered Bonds 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 such Paying Agent; and

   (ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Covered Bonds.

"**Written Resolution**" means a resolution in writing signed by or on behalf of one or more persons being or representing at least 75 per cent of all the Bondholders 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 Bondholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agents have their 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 Terms and Conditions to which the Rules are attached.

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 Programme Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any Transaction Party in these Rules shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

2.3 **Separate Series or Tranches**

Subject to the provisions of the next sentence, the Covered Bonds of each Series or Tranche shall form a separate Series or Tranche of Covered Bonds and accordingly, unless for any purpose the Representative of the Bondholders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series or Tranches*) and 28 (*Duties and Powers of the Representative of the Bondholders*) to 36 (*Powers to Act on behalf of the Guarantor*) shall apply *mutatis mutandis*

separately and independently to the Covered Bonds of each Series or Tranche. However, for the purposes of this Article 2.3:

2.3.1 Articles 26 (*Appointment, removal and remuneration*) and 27 (*Resignation of the Representative of the Bondholders*); and

2.3.2 insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation*) to 24 (*Meetings and Separate Series or Tranches*) and 28 (*Duties and Powers of the Representative of the Bondholders*) to 36 (*Powers to Act on behalf of the Guarantor*),

the Covered Bonds shall be deemed to constitute a single Series or Tranche and the provisions of such Articles shall apply to all the Covered Bonds together as if they constituted a single Series or Tranche and, in such Articles, the expressions "Covered Bonds" and "Bondholders" shall be construed accordingly.

## 3. PURPOSE OF THE ORGANISATION

3.1 Each Bondholder, whatever Series or Tranche of Covered Bonds he holds, is a member of the Organisation of the Bondholders.

3.2 The purpose of the Organisation of the Bondholders is to co-ordinate the exercise of the rights of the Bondholders and, more generally, to take any action necessary or desirable to protect the interest of the Bondholders.

# TITLE II

# MEETINGS OF THE BONDHOLDERS

## 4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

### 4.1 Issue

4.1.1 A Bondholder may obtain a Voting Certificate in respect of a Meeting by requesting its Euronext Securities Milan Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.

4.1.2 A Bondholder may also obtain a Voting Certificate from a Paying Agent or require a Paying Agent to issue a Block Voting Instruction by arranging for Covered Bonds 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 Euronext Securities Milan) 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 Covered Bonds 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 Euronext Securities Milan 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 a Paying Agent shall be deemed to be the Holder of the Covered Bonds 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 Covered Bond.

4.5 **References to the blocking or release**

Reference to the blocking or release of Covered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Office of the Principal Paying Agent, or at any other place approved by the Representative of the Bondholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid. If the Representative of the Bondholders so requires, a notarised (or otherwise acceptable) copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Euronext Securities Milan Account Holder shall be produced at the Meeting but the Representative of the Bondholders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the Covered Bonds named in a Voting Certificate or a Block Voting Instruction.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Bondholders, the Gauarantor or the Issuer may and (in relation to a meeting for the passing of a Programme Resolution) the Issuer shall upon a requisition in writing signed by the holders of not less than five per cent. of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a Meetings of the Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting requisitioned by the Bondholders the same may be convened by the Representative of the Bondholders or the requisitionists. The Representative of the Bondholders may convene a single meeting of the holders of Covered Bonds of more than one Series or Tranche if in the opinion of the Representative of the Bondholders there is no conflict between the holders of the Covered Bonds of the relevant Series or Tranche, in which event the provisions of this Schedule shall aplly thereto *mutatis mutandis*.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Bondholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Bondholders.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21, or 5 in case of a Meeting convened in order to resolve to extend the Test Remedy Period pursuant to Condition 12.2 (*Issuer Events of Default*), days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the

day, time and place of the Meeting, must be given to the relevant Bondholders and the Paying Agent, with a copy to the Issuer and the Guarantor, where the Meeting is convened by the Representative of the Bondholders, or with a copy to the Representative of the Bondholders, where the Meeting is convened by the Issuer, subject to Article 6.3 (*Time and place of Meetings*).

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 Bondholders 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 Euronext Securities Milan Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time and that for the purpose of obtaining Voting Certificates from a Paying Agent or appointing Proxies under a Block Voting Instruction, Covered Bonds must (to the satisfaction of such Paying Agent) be held to the order of or placed under the control of such Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 **Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Covered Bonds constituting all the Principal Amount Outstanding of the Covered Bonds, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Bondholders are present.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Covered Bondholder), nominated by the Representative of the Bondholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Bondholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and 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 Bondholders.

9. **QUORUM**

9.1 The quorum at any Meeting will be:

9.1.1 in the case of an Ordinary Resolution, one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Covered Bonds the holders of which are entitled to attend and vote or, at an adjourned Meeting, one or more persons being or representing Bondholders entitled to attend and vote, whatever the Principal Amount Outstanding of the Covered Bonds so held or represented;

9.1.2 in the case of an Extraordinary Resolution or a Programme Resolution, one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Covered Bonds the holders of which are entitled to attend and vote or, at an adjourned Meeting, one or more persons being or representing Bondholders entitled to attend and vote, whatever the Principal Amount Outstanding of the Covered Bonds so held or represented;

9.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 32.4 (*Obligation to act*), only be capable of being effected after having been approved by Extraordinary Resolution) namely:

(a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;

(b) alteration of the currency in which payments under the Covered Bonds are to be made;

(c) alteration of the majority required to pass an Extraordinary Resolution;

(d) any amendment to the Guarantee, the Account Pledge Agreement or the Deed of Pledge (except in a manner determined by the Representative of the Bondholders not to be materially prejudicial to the interests of the Bondholders of any Series or Tranche);

(e) except in accordance with Articles 31 (*Amendments and Modifications*) and 32 (*Waiver*), the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the Covered Bonds for, or the conversion of such Covered Bonds into, shares, bonds or other obligations or securities of the Issuer or the Guarantor or any other person or body corporate, formed or to be formed; and

(f) alteration of this Article 9.1.3;

(each a "**Series or Tranche Reserved Matter**"), the quorum shall be one or more persons being or representing holders of not less two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series or Tranche for the time being outstanding or, at any adjourned meeting, one or more persons being or representing not less than one third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series or Tranche for the time being outstanding.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, the, without prejudice to the transaction of the business (if any) for which a quorum is present:

10.1 if such Meeting was requested by Bondholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Bondholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no 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 Bondholders **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 Bondholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a 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 a quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer and the Guarantor;

13.3 representatives of the Issuer, the Guarantor and the Representative of the Bondholders;

13.4 financial advisers to the Issuer, the Guarantor and the Representative of the Bondholders;

13.5 legal advisers to the Issuer, the Guarantor and the Representative of the Bondholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Bondholders.

## 14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

## 15. VOTING BY POLL

### 15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Guarantor, the Representative of the Bondholders or one or more Voters whatever the Principal Amount Outstanding of the Covered Bonds held or represented by such Voter(s). A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

### 15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

## 16. VOTES

### 16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every Vote who is so present shall have one vote in respect of each euro 1,000 or such other amount as the Representative of the Bondholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Representative of the Bondholders in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Covered Bonds it holds or represents.

### 16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

### 16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

## 17. VOTING BY PROXY

### 17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked **provided that** none of the Issuer, the Representative of the Bondholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

### 17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

## 18. RESOLUTIONS

### 18.1 Powers exercisable by Ordinary Resolution

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of the Rules or of the Terms and 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 Bondholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

### 18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Terms and Conditions, shall have power exercisable by Extraordinary Resolution to:

18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Representative of the Bondholders, the Bondholders or any of them;

18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the Bondholders, the Issuer, the Guarantor, the Bondholders or any of them, whether such rights arise under the Programme Documents or otherwise, and (b) these Rules, the Terms and Conditions or of any Programme Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Representative of the Bondholders and/or any other party thereto;

18.2.3 assent to any modification of the provisions of this these Rules or the Programme Documents which shall be proposed by the Issuer, the Guarantor, the Representative of the Bondholders or of any Bondholder;

18.2.4 in accordance with Article 26 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Bondholders;

18.2.5 discharge or exonerate, whether retrospectively or otherwise, the Representative of the Bondholders from any liability in relation to any act or omission for which the Representative of the Bondholders has or may become liable pursuant or in relation to these Rules, the Terms and Conditions or any other Programme Document;

18.2.6 waive any breach or authorise any proposed breach by the Issuer, the Guarantor or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Covered Bonds or any other Programme Document or any act or omission which might otherwise constitute an Event of Default;

18.2.7 grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by an Extraordinary Resolution;

18.2.8 authorise and ratify the actions of the Representative of the Bondholders in compliance with these Rules, the Intercreditor Agreement and any other Programme Document;

18.2.9 appoint any persons (whether Bondholders or not) as a committee to represent the interests of the Bondholders and to confer on any such committee any powers which the Bondholders could themselves exercise by Extraordinary Resolution;

18.2.10 authorise the Representative of the Bondholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; and

18.2.11 direct the Representative of the Bondholders to take any action pursuant to Condition 12.2.1 (ii) (*Issuer Events of Default – Breach of other obligations*) and Condition 12.3.1 (iii) (*Guarantor Events of Default – Breach of other obligations*) or to appoint or remove the Representative of the Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*).

18.3 **Programme Resolutions**

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the Bondholders to take any action pursuant to Condition 12.2.1 (ii) (*Issuer Events of Default – Breach of other obligations*) and Condition 13.3.1 (iii) (*Guarantor Events of Default – Breach of other obligations*) and, including, following delivery of an Issuer Default Notice and/or Guarantor Default Notice, the power to direct the sale of the Assets included in the Cover Pool in accordance with the provisions of the Cover Pool Management Agreement, or to appoint or remove the Representative of the Bondholders pursuant to Article 26 (*Appointment, Removal and Remuneration*) or to take any other action required by the Terms and Conditions or any Programme Document to be taken by Programme Resolution. For the avoidance of doubts, two or more Extraordinary Resolutions taken by the Bondholders of different Series or Tranche at separate meetings and resolving upn the matters referred to above in the same way shall deemed to be considered as a sole Programme Resolution.

18.4 **Other Series or Tranches of Covered Bonds**

No Ordinary Resolution or Extraordinary Resolution (other than a Programme Resolution) that is passed by the Holders of one Series of Covered Bonds shall be effective in respect of another Series or Tranche of Covered Bonds unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of Covered Bonds then outstanding of that other Series or Tranches.

## 19. EFFECT OF RESOLUTIONS

### 19.1 Binding Nature

Subject to Article 18.4 (*Other Series or Tranches of Covered Bonds*), any resolution passed at a Meeting of the Bondholders duly convened and held in accordance with these Rules shall be binding upon all Bondholders, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the Covered Bonds of all Series and Tranches shall be binding on all holders of the Covered Bonds of all Series and Tranches, whether or not present at the meeting.

### 19.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Bondholders shall be published (at the cost of the Issuer) in accordance with the Terms and Conditions and given to the Paying Agents (with a copy to the Issuer, the Guarantor and the Representative of the Bondholders within 14 days of the conclusion of each Meeting).

## 20. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Bondholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

## 21. 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.

## 22. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution (including a Programme Resolution) or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

## 23. INDIVIDUAL ACTIONS AND REMEDIES

Each Bondholder has accepted and is bound by the provisions of Condition 13 (*Limited Recourse and Non Petition*) and clause 10 (*Limited Recourse*) of the Guarantee, accordingly, if any Bondholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Guarantee (hereinafter, a "**Claiming Bondholder**"), then such Claiming Bondholder intending to enforce his/her rights under the Covered Bonds will notify the Representative of the Bondholders of his/her intention. The Representative of the Bondholders shall inform the other Bondholders of such prospective individual actions and remedies of which the Representative of the Bondholders has been informed by the Claiming Bondholder or otherwise and invite them to raise, in writing, any objection that they may have by a specific date not more than 30 days after the date of the Representative of the Bondholders notification and not less than 15 days after such notification. If Bondholders representing 5% or more of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding object to such prospective individual actions and remedies, then the Claiming Bondholder will be prevented from taking any individual action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted to the Representative of the Bondholders pursuant to the terms of this Article).

## 24. MEETINGS AND SEPARATE SERIES OR TRANCHES

24.1 **Choice of Meeting**

If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series or Tranche the foregoing provisions of this Schedule shall have effect subject to the following modifications:

24.1.1 a resolution which in the opinion of the Representative of the Bondholders affects the Covered Bonds of only one Series or Tranche shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series or Tranches;

24.1.2 a resolution which in the opinion of the Representative of the Bondholders affects the Covered Bonds of more than one Series or Tranche but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series or Tranche so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series or Tranches so affected;

24.1.3 a resolution which in the opinion of the Representative of the Bondholders affects the Covered Bonds of more than one Series or Tranche and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or Tranche or group of Series or Tranches so affected and the holders of the Covered Bonds of another Series or Tranche or group of Series or Tranches so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or Tranche or group of Series or Tranches so affected;

24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Bondholders of all Series or Tranches; and

24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to Covered Bonds and Bondholders were references to the Covered Bonds of the Series or Tranche or group of Series or Tranches in question or to the holders of such Covered Bonds, as the case may be.

24.2 **Denominations other than euro**

If the Issuer has issued and has outstanding Covered Bonds which are not denominated in euro in the case of any meeting or request in writing or Written Resolution of holders of Covered Bonds of more than one currency (whether in respect of a meeting or any adjourned such meeting or any poll resulting therefrom or any such request or Written Resolution) the Principal Amount Outstanding of such Covered Bonds shall be the equivalent in euro at the relevant Swap Rate. In such circumstances, on any poll each person present shall have one vote for each 1.00 (or such other euro amount as the Representative of the Bondholders may in its absolute discretion stipulate) of the Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.

25. **FURTHER REGULATIONS**

Subject to all other provisions contained in the Rules, the Representative of the Bondholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Bondholders in its sole discretion may decide.

## TITLE III

## THE REPRESENTATIVE OF THE BONDHOLDERS

### 26. APPOINTMENT, REMOVAL AND REMUNERATION

#### 26.1 Appointment

The appointment of the Representative of the Bondholders takes place by Extraordinary Resolution or Programme Resolution of the Bondholders in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Bondholders which will be Banca Finanziaria Internazionale S.p.A.

#### 26.2 Identity of Representative of the Bondholders

The Representative of the Bondholders shall be:

26.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and the relevant implementing regulations applicable to it as a financial intermediary; or

26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Bondholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Bondholders, and, if appointed as such, they shall be automatically removed.

#### 26.3 Duration of appointment

Unless the Representative of the Bondholders is removed by Extraordinary Resolution or Programme Resolution of the Bondholders pursuant to Article 18.2 (*Extraordinary Resolutions*) or Article 18.3 (*Programme Resolutions*) or resigns pursuant to Article 27 (*Resignation of the Representative of the Bondholders*), it shall remain in office until full repayment or cancellation of all the Covered Bonds.

#### 26.4 After termination

In the event of a termination of the appointment of the Representative of the Bondholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Bondholders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the Bondholders* ), accepts its appointment, and the powers and authority of the Representative of the Bondholders 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 Covered Bonds.

#### 26.5 Remuneration

The Guarantor shall pay to the Representative of the Bondholders an initial fee and reimburse and pay any costs and expenses (including legal fees) incurred by it in the context of the Programme, as agreed either in the initial agreement(s) for the issue of and subscription for the Covered Bonds or in a separate fee letter. The Guarantor shall also pay to the Representative of the Bondholders an on-going annual fee and pay and reimburse any costs and expenses (including legal fees) incurred and documented by it in the context of the Programme in accordance with the relevant Priority of Payments.

## 27. RESIGNATION OF THE REPRESENTATIVE OF THE BONDHOLDERS

The Representative of the Bondholders 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 Bondholders shall not become effective until a new Representative of the Bondholders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the Bondholders has accepted its appointment **provided that** if Bondholders fail to select a new Representative of the Bondholders within three months of written notice of resignation delivered by the Representative of the Bondholders, the Representative of the Bondholders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the Bondholders* ).

## 28. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE BONDHOLDERS

### 28.1 Representative of the Bondholders is representative

The Representative of the Bondholders is the representative of the Organisation of the Bondholders and has the power to exercise the rights conferred on it by the Programme Documents in order to protect the interests of the Bondholders.

### 28.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Bondholders is responsible for implementing all Resolutions of the Bondholders. The Representative of the Bondholders has the right to convene and attend Meetings (together with its adviser) to propose any course of action which it considers from time to time necessary or desirable.

### 28.3 Delegation

The Representative of the Bondholders may, in the exercise of the powers, discretions and authorities vested in it by these Rules and the Programme Documents:

28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Bondholders;

28.3.2 whenever it considers it expedient and in the interest of the Bondholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Bondholders may think fit in the interest of the Bondholders. The Representative of the Bondholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, **provided that** the Representative of the Bondholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Bondholders shall, as soon as reasonably practicable, give notice to the Issuer and the Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 **Judicial Proceedings**

The Representative of the Bondholders is authorised to initiate and to represent the Organisation of the Bondholders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the Guarantor.

28.5 **Consents given by Representative of Bondholders**

Any consent or approval given by the Representative of the Bondholders under these Rules and any other Programme Document may be given on such terms and subject to such conditions (if any) as the Representative of the Bondholders deems appropriate and, notwithstanding anything to the contrary contained in these Rules or in the Programme Documents, such consent or approval may be given retrospectively.

28.6 **Discretions**

Save as expressly otherwise provided herein, the Representative of the Bondholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Bondholders by these Rules or by operation of law.

28.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Bondholders is entitled to exercise its discretion hereunder, the Representative of the Bondholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Bondholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Bondholders shall be entitled to request that the Bondholders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific limitations*).

28.8 **Remedy**

The Representative of the Bondholders may determine whether or not a default in the performance by the Issuer or the Guarantor of any obligation under the provisions of these Rules, the Covered Bonds or any other Programme Documents may be remedied, and if the Representative of the Bondholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Bondholders, the other creditors of the Guarantor and any other party to the Programme Documents.

## 29. EXONERATION OF THE REPRESENTATIVE OF THE BONDHOLDERS

29.1 **Limited obligations**

The Representative of the Bondholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Programme Documents.

29.2 **Specific limitations**

Without limiting the generality of Article 29.1 (*Limited obligations*), the Representative of the Bondholders:

29.2.1 shall not be under any obligation to take any steps to ascertain whether an Event of Default, Segregation 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 Bondholders hereunder or under any other Programme Document, has occurred and, until the Representative of the Bondholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Segregation Event, Event of Default or such other event, condition or act has occurred;

29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the Guarantor or any other parties of their obligations contained in these Rules, the Programme Documents or the Terms and Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Bondholders shall be entitled to assume that the Issuer or the Guarantor and each other party to the Programme Documents are duly observing and performing all their respective obligations;

29.2.3 except as expressly required in these Rules or any Programme 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 Programme Document;

29.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Programme Document, or of any other document or any obligation or right 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:

3. the nature, status, creditworthiness or solvency of the Issuer;

4. the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Programme;

5. the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

6. the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the administration of the assets contained in the Cover Pool; and

7. any accounts, books, records or files maintained by the Issuer, the Guarantor, the Servicer and the Paying Agent or any other person in respect of the Cover Pool or the Covered Bonds;

29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Covered Bonds or the distribution of any of such proceeds to the persons entitled thereto;

29.2.6 shall 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 Bondholders contained herein or in any Programme Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

29.2.7 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 Programme Document;

29.2.8 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 assets contained in the Cover Pool or any part thereof, whether such defect or failure was known to the Representative of the Bondholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

29.2.9 shall not be under any obligation to guarantee or procure the repayment of the assets contained in the Cover Pool or any part thereof;

29.2.10 shall not be responsible for reviewing or investigating any report relating to the Cover Pool or any part thereof provided by any person, with the exception of the Test Performance Report for the purposes of delivery of the notice;

29.2.11 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Cover Pool or any part thereof;

29.2.12 shall not be responsible (except as expressly provided in the Terms and Conditions) for making or verifying any determination or calculation in respect of the Covered Bonds, the Cover Pool or any Programme Document;

29.2.13 shall not be under any obligation to insure the Cover Pool or any part thereof;

29.2.14 shall, when in these Rules or any Programme Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders, have regard to the overall interests of the Bondholders of each Series or Tranche as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;

29.2.15 shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series or Tranche would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such Bondholders by Extraordinary Resolution or by a written resolution of such Bondholders of not less than 75 per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant Series or Tranche then outstanding;

29.2.16 shall, with respect to the powers, trusts, authorities and discretions vested in it by the Programme Documents, except where expressly provided therein, have regard to the interests of both the Bondholders and the other creditors of the Issuer or the Guarantor but if, in the opinion of the Representative of the Bondholders, there is a conflict between their interests the Representative of the Bondholders will have regard solely to the interest of the Bondholders

29.2.17 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Programme Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Programme Documents shall require the Representative of the Bondholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder; and

29.2.18 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, the Guarantor, any Bondholder, any Other

Guarantor Creditor or any other person as a result of (a) the delivery by the Representative of the Bondholders of the certificate of incapability of remedy relating any material default of obligations pursuant to Condition 12.2 (*Issuer Events of Default*) and Condition 12.3 (*Guarantor Events of Default*) on the basis of an opinion formed by it in good faith; or (b) any determination, any act, matter or thing that will not be materially prejudicial to the interests of the Bondholders as a whole or the interests of the Bondholders of any Series or Tranche.

29.3 **Illegality**

No provision of the Rules shall require the Representative of the Bondholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Bondholders 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 Bondholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

30. **RELIANCE ON INFORMATION**

30.1 **Advice**

The Representative of the Bondholders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the Guarantor, the Representative of the Bondholders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Bondholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic and, when in the opinion of the Representative of the Bondholders to obtain such advice on any other basis is not viable notwithstanding any limitation or cap on Liability in respect thereof.

30.2 **Certificates of Issuer**

The Representative of the Bondholders may call for, and shall be at liberty to accept as sufficient evidence:

30.2.1 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;

30.2.2 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 the Representative of the Bondholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.3 **Resolution or direction of Bondholders**

The Representative of the Bondholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof

minutes have been made and signed or a direction of the requisite percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Bondholders.

30.4 **Certificates of Euronext Securities Milan Account Holders**

The Representative of the Bondholders, in order to ascertain ownership of the Covered Bonds, may fully rely on the certificates issued by any Euronext Securities Milan Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

30.5 **Clearing Systems**

The Representative of the Bondholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Bondholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Covered Bonds.

30.6 **Certificates of Parties to Programme Document**

The Representative of the Bondholders shall have the right to call for or require the Issuer or the Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the Guarantor) to the Intercreditor Agreement or any other Programme Document,

30.6.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Terms and Conditions or any Programme Document;

30.6.2 as any matter or fact *prima facie* within the knowledge of such party; or

30.6.3 as to such party's opinion with respect to any issue

and the Representative of the Bondholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liability incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

30.7 **Auditors**

The Representative of the Bondholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

The Representative of the Bondholders shall be entitled to (a) base its actions, among other things and for the purposes of exercising any power, authority, duty or discretion under, or in relation to these Rules, on rating actions, including where the rating is placed under review with negative or positive implications, having been or being taken in relation to the Covered Bonds and, accordingly (b) maintain that such exercise would not be materially prejudicial to the interests of the Bondholders. It is agreed and acknowledged by the Representative of the Bondholders, and notified to the Bondholders, that a credit rating (i) is an assessment of credit and does not address other matters that may be of relevance to the Bondholders, and (ii) it is expressly agreed and acknowledged that such information does not impose on or extend to the Rating Agency in any respect any actual or contingent liability to the Representative of the Bondholders, the Bondholders or any other third party or create any legal relations between the Rating Agency and the Representative of the Bondholders, the Bondholders or any other third

party by way of contract or otherwise. If the Representative of the Bondholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the Covered Bonds, the Representative of the Bondholders may inform the Issuer or the Guarantor, as the case may be, which will then obtain such views at their expense on behalf of the Representative of the Bondholders or the Representative of the Bondholders may seek and obtain such views itself at the cost of the Issuer or the Guarantor, as the case may be.

## 31. AMENDMENTS AND MODIFICATIONS

### 31.1 Modifications

The Representative of the Bondholders may at any time and from time to time and without the consent or sanction of the Bondholders of any Series or Tranche concur with the Issuer and/or the Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the Bondholders may disregard whether any such modification relates to a Series or Tranche reserved matter) as follows:

31.1.1 to these Rules, the Terms and Conditions and/or the other Programme Documents which, in the opinion of the Representative of the Bondholders, it may be expedient to make **provided that** the Representative of the Bondholders is of the opinion that such modification will not be materially prejudicial to the interests of any of the Bondholders of any Series or Tranche; and

31.1.2 to these Rules, the Terms and Conditions and/or the other Programme Documents which is of a formal, minor, administrative or technical nature or to comply with mandatory provisions of law, including Law 130 and Bank of Italy Regulations, as amended and supplemented from time to time, and the relevant implementation;

31.1.3 to these Rules, the Terms and Conditions and/or the other Programme Documents which, in the opinion of the Representative of the Bondholders, is to correct a manifest error or an error established as such to the satisfaction of the Representative of the Bondholders; and

31.1.4 to these Rules, the Terms and Conditions and/or the other Programme Documents which may reasonably deemed necessary in order to ensure that the Programme, the Covered Bonds, the Conditions and the Programme Documents comply and will continue to comply with the provisions referred to under article 7-*viciesbis* of Law 130 and the relevant implementing regulation in order to use the "European Covered Bond (Premium)" label.

### 31.2 Binding Nature

Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the Bondholders may determine, shall be binding upon the Bondholders and, unless the Representative of the Bondholders otherwise agrees, shall be notified by the Issuer or the Guarantor (as the case may be) to the Bondholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

### 31.3 Establishing an error

In establishing whether an error is established as such, the Representative of the Bondholders may have regard to any evidence on which the Representative of the Bondholders considers it appropriate to rely.

31.4 **Obligation to act**

The Representative of the Bondholders shall be bound to concur with the Issuer and the Guarantor and any other party in making any modifications to these Rules, the Terms and Conditions and/or the other Programme Documents if it is so directed by an Extraordinary Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

32. **WAIVER**

32.1 **Waiver of Breach**

The Representative of the Bondholders may at any time and from time to time without the consent or sanction of the Bondholders of any Series or Tranche and, without prejudice to its rights in respect of any subsequent breach, condition or event but only if, and in so far as, in its opinion the interests of the Holders of the Covered Bonds of any Series or Tranche then outstanding shall not be materially prejudiced thereby:

32.1.1 authorise or waive any proposed breach or breach by the Issuer or the Guarantor of any of the covenants or provisions contained in the Guarantee, these Rules, the Terms and Conditions or the other Programme Documents; or

32.1.2 determine that any Event of Default shall not be treated as such for the purposes of the Programme Documents,

without any consent or sanction of the Bondholders.

32.2 **Binding Nature**

Any such authorisation or waiver or determination may be given on such terms and subject to such conditions (if any) as the Representative of the Bondholders may determine, shall be binding on all Bondholders and, if the Representative of the Bondholders so requires, shall be notified to the Bondholders and the Other Guarantor Creditors by the Issuer or the Guarantor, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Programme Documents.

32.3 **Restriction on powers**

The Representative of the Bondholders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution, but so that no such direction shall affect any authorisation, waiver or determination previously given or made.

32.4 **Obligation to act**

The Representative of the Bondholders shall be bound to waive or authorise any breach or proposed breach by the Issuer or the Guarantor of any of the covenants or provisions contained in by Guarantee, these Rules or any of the other Programme Documents or determine that any Event of Default shall not be treated as such if it is so directed by a Programme Resolution and then only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

33. **INDEMNITY**

Pursuant to the Programme Agreement, all documented costs, expenses, liabilities and claims incurred by or made against the Representative of the Bondholders (or by any persons appointed by it to whom any power, authority or discretion may be delegated by it) in relation to the preparation and execution of the Programme Documents, the exercise or purported exercise of, the Representative of the Bondholder's powers, authorities and discretions and performance

of its duties under and in any other manner in relation to the Programme Documents (including, but not limited to, legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by or due from the Representative of the Bondholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Bondholders pursuant to the Programme Documents, against the Issuer or the Guarantor for enforcing any obligations under the Covered Bonds or the Programme Documents), except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Bondholders, shall be reimbursed, paid or discharged (on full indemnity basis), on demand, to the extent not already reimbursed, paid or discharged by the Bondholders, by the Guarantor and the Issuer on the Guarantor Payment Date immediately succeeding the date of request from funds available thereof in accordance with the relevant Priority of Payments.

34. LIABILITY

Notwithstanding any other provision of these Rules and save as otherwise provided in the Programme Documents, the Representative of the Bondholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Programme Documents, the Covered Bonds 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 BONDHOLDERS AFTER SERVICE OF A NOTICE

35. POWERS TO ACT ON BEHALF OF THE GUARANTOR

It is hereby acknowledged that, upon service of a Guarantor Default Notice or, prior to the service of a Guarantor Default Notice, following the failure of the Guarantor to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Bondholders, in its capacity as representative of the Bondholders, shall be entitled (also in the interests of the Other Guarantor Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Cover Pool. Therefore, the Representative of the Bondholders, in its capacity as representative of the Bondholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Guarantor and as *mandatario in rem propriam* of the Guarantor, any and all of the Guarantor's rights under certain Programme Documents, including the right to give directions and instructions to the relevant parties to the relevant Programme Documents.

## TITLE V

## GOVERNING LAW AND JURISDICTION

36. GOVERNING LAW

These Rules and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

37. JURISDICTION

The Courts of Siena 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.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which, subject to any necessary amendments, will be completed for each Series or Tranche of Covered Bonds issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms*.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS –** The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRIIPs / IMPORTANT – UK RETAIL INVESTORS –** The Covered Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulation 2024.

[**MIFID II product governance / Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are

appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [•]

**Banca Monte dei Paschi di Siena S.p.A. (the "Issuer")**

**Issue of** [*Aggregate Nominal Amount of Tranche*] [*Description*] **Covered Bonds (*Obbligazioni Bancarie Garantite*) due** [*Maturity*] **(the "Covered Bonds")**

**Guaranteed by**
**MPS Covered Bond 2 S.r.l. (the "Guarantor")**
**under the €20,000,000,000 Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated [•] 2026 [and the supplement[s] to the base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with the Conditions and the Base Prospectus [as so supplemented] in order to obtain all the relevant information. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds (*Obbligazioni Bancarie Garantite*) described herein is only available on the basis of the combination of these Final Terms, the Conditions and the Base Prospectus [as so supplemented]. The Base Prospectus [, including the supplement[s]] [is/are] available for viewing on the website of the Issuer at [https://gruppomps.it/].

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the "**Conditions**") set forth in the prospectus dated 22 May 2025, which are incorporated by reference in the prospectus dated [•] 2026. This document constitutes the Final Terms of the Covered Bonds and must be read in conjunction with the Base Prospectus dated 22 May 2025. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds (Obbligazioni Bancarie Garantite ) described herein is only available on the basis of the combination of these Final Terms, the Conditions and the Base Prospectus. The Base Prospectus is available for viewing on the website of the Issuer at [https://gruppomps.it/]].

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

[*When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus.*]

| | | | |
|---|---|---|---|
| 1. | (i) | Issuer: | Banca Monte dei Paschi di Siena S.p.A. |
| | (ii) | Guarantor: | MPS Covered Bond 2 S.r.l. |

| | | | |
|---|---|---|---|
| | (iii) | Series Number: | [•] |
| | (iv) | Tranche Number: | [•] / [The Covered Bonds will be consolidated, form a single Series and be interchangeable for trading purposes with the [Series [•] Tranche [•] Covered Bonds due [•] issued on [•], ISIN Code [•]] on the Issue Date]/[Not Applicable]] (*If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible*) |
| | (v) | Date on which the Covered Bonds will be consolidated and form a singles Series | [•] / [Not Applicable] |
| 2. | **Specified Currency or Currencies**: | | [•] |
| 3. | **Aggregate Nominal Amount**: | | |
| | (i) | Series: | [•] |
| | (ii) | Tranche: | [•] |
| 4. | **Issue Price**: | | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)] |
| 5. | (i) | Specified Denominations: | [•] [plus integral multiples of [•] in addition to the said sum of [•]] (*Include the wording in square brackets where the Specified Denomination is euro [100,000] or equivalent plus multiples of a lower principal amount.*) |
| | (ii) | Calculation Amount: | [•] |
| | (iii) | Rounding: | [The provisions of Condition 19 apply/Not applicable] |
| | (iv) | Issue Date: | [•] |
| | (v) | Interest Commencement Date: | [*Specify:* Issue Date/Not Applicable] |
| 6. | **[Dematerialised Form/Registered Form/Other Form]**: | | [•] |
| 7. | **Maturity Date**: | | [*Specify date or Interest Payment Date falling in or nearest to the relevant month and year.*] |
| 8. | **Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Guarantee**: | | [Long Due for Payment Date] / [*Specify date or Interest Payment Date falling in or nearest to the relevant month and year*] |
| 9. | **Interest Basis**: | | [[•] per cent. Fixed Rate][[*Specify reference rate*] +/- [*Margin*] per cent. Floating Rate] |

| | | |
|---|---|---|
| | | [Zero Coupon]<br>[Other (*Specify*)]<br>(*further particulars specified below*) |
| 10. | **Redemption/Payment Basis:** | [Redemption at par][Installment]<br>[Other (*Specify*)] |
| 11. | **Change of Interest or Redemption/Payment Basis**: | [•] / [Not Applicable]<br>[Change of interest rate may be applicable in case an Extended Maturity Date is specified as applicable, as provided for in Condition 9.2] |
| 12. | **Put/Call Options**: | [Not Applicable]<br>[Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)] |
| 13. | **Hedging through covered bond swaps:** | [Applicable/Not Applicable] |
| 14. | **[Date of [Board] approval for issuance of Covered Bonds [and Guarantee] [respectively]] obtained**: | [•] [and [•], respectively<br>(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds or related Guarantee*)] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 15. | **Fixed Rate Provisions** | [Applicable/Not Applicable] |
| | (i) Rate(s) of Interest: | (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[•] per cent. per annum [payable [annually/semi annually/quarterly/monthly/other (*specify*)] in arrear] on each Interest Payment Date |
| | (ii) Interest Payment Date(s): | [•] in each year *[adjusted in accordance with* [*specify Business Day Convention [Following Business Day Convention/ Modified Following Business Day Convention or Modified Business Day Convention/Preceding Business Day Convention/FRN Convention or Floating Rate Convention or Eurodollar Convention]] [and any applicable Business Centre(s) for the definition of "Business Day"]*<br>/<br>*[not adjusted]* |
| | (iii) Fixed Coupon Amount[(s)]: | [•] per Calculation Amount |

| | | |
|---|---|---|
| (iv) | Broken Amount[(s)]: | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/ [Not Applicable] |
| (v) | Day Count Fraction: | [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 or Eurobond Basis / 30E/360 (ISDA)] [adjusted] /[not adjusted] |
| 16. | **Floating Rate Provisions** | [Applicable/Not Applicable] [Applicable in respect of Extended Maturity Period] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Interest Period(s): | [•] |
| (ii) | Specified Period: | [•]<br>(*Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*) |
| (iii) | Interest Payment Dates: | [•]<br>(*Specified Period and Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*) |
| (iv) | First Interest Payment Date: | [•] |
| (v) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Other (*give details*)] |
| (vi) | Additional Business Centre(s): | [Not Applicable/*give details*] |
| (vii) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination/Other (*give details*)] |
| (viii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): | [[*Name*] shall be the relevant Calculation Agent] |
| (ix) | Screen Rate Determination: | |
| | • Reference Rate: | Reference Rate: [•] month [EURIBOR] |
| | • Reference Banks | [[•] / Not Applicable] |
| | • Interest Determination | [•] |

Dates:

- Relevant Screen Page: *[For example, Reuters EURIBOR 01]*
- Relevant Time: [*For example, 11.00 a.m. Italian time*]
- Relevant Financial Centre: [*For example, Euro -zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*]

(x) ISDA Determination:

- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]

  [•]
- Floating Rate Option: *(Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))*
- Designated Maturity: [•]/[Not Applicable]

  *(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a riskfree rate)*
- Reset Date: [•][*the first day of the Interest Period*]

(xi) Margin(s): [+/-][•] per cent. per annum

(xii) Minimum Rate of Interest: [•] per cent. per annum

(xiii) Maximum Rate of Interest: [•] per cent. per annum

(xiv) Day Count Fraction: [Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]

[adjusted] / [not adjusted]

17. **Zero Coupon Provisions**: [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) [Amortisation/Accrual] Yield: [•] per cent. per annum

(ii) Reference Price: [•]

(iii) Any other formula/basis of determining amount payable: [*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition* [9.7] *(Early redemption of Zero Coupon Covered Bonds)*]

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 18. | **Call Option** | | [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Optional Redemption Date(s): | [•] |
| | (ii) | Optional Redemption Amount(s) of Covered Bonds and method, if any, of calculation of such amount(s): | [•] per Calculation Amount |
| | (iii) | If redeemable in part: | |
| | (iv) | Minimum Redemption Amount: | [[•] per Calculation Amount / not applicable] |
| | (v) | Maximum Redemption Amount: | [[•] per Calculation Amount / not applicable] |
| | (vi) | Notice Period: | [•] |
| 19. | **Put Option** | | [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Optional Redemption Date(s): | [•] |
| | (ii) | Optional Redemption Amount(s) of each Covered Bonds and method, if any, of calculation of such amount(s): | [•] per Calculation Amount |
| | (iii) | Notice Period: | [•] |
| 20. | **Final Redemption Amount of Covered Bonds** | | [•] per Calculation Amount |
| 21. | **Early Redemption Amount** | | |
| | Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons or on acceleration following a Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | | *[Not Applicable (If both the Early Termination Amount (Tax) and the Early Termination Amount are the principal amount of the Covered Bonds/specify the Early Termination Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Covered Bonds)]* |

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

| | | |
|---|---|---|
| 22. | Additional Financial Centre(s) or other special provisions relating to payment dates: | [Not Applicable/*give details*]<br>[*Note that this paragraph relates to the date and place of payment, and not interest period and dates*] |
| 23. | Details relating to Covered Bonds which are amortising and for which principal is repayable in instalments: amount of each instalment, date on which each payment is to | [Not Applicable/*give details*] |

be made:

**[THIRD PARTY INFORMATION]**

[(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Banca Monte dei Paschi di Siena S.p.A.

By: .....

Duly authorised

Signed on behalf of MPS Covered Bond 2 S.r.l.

By: .....

Duly authorised]

**PART B – OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING**

| | | |
|---|---|---|
| (i) | Listing | [Official list/other/None] |
| (ii) | Admission to trading | [Application [is expected to be/has been] made by the Issuer (or on its behalf) for the Covered Bonds (*Obbligazioni Bancarie Garantite*) to be admitted to trading on [EuroTLX/*specify other regulated market or multilateral trade facility*] with effect from [•].] [Not Applicable.]<br><br>*(Where documenting a fungible issue, need to indicate that original Covered Bonds are already admitted to trading.)* |
| (iii) | Estimate of total expenses related to admission to trading: | [•] |

2. **RATING**

| | |
|---|---|
| Ratings: | The Covered Bonds *(Obbligazioni Bancarie Garantite)* to be issued [[have been rated]/[are expected to be]] rated:<br><br>[Morningstar DBRS: [•]]<br><br>[Moody's: [•]]<br><br>[Fitch: [•]]<br><br>[Other]: [•]<br><br>(*The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued* |

*under the Programme generally or, where the issue has been specifically rated, that rating*.)

*(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*

[Morningstar DBRS] / [Others] *are established in the EEA and are* registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**"). [Morningstar DBRS] / [Others] appears on the latest update of the list of registered credit rating agencies on the ESMA website http://www.esma.europa.eu/page/List-registeredand-certified-CRAs.

[The rating [•] has given to the Covered Bonds is endorsed by [•], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**UK CRA Regulation")**.]

[[•] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**UK CRA Regulation** ").] / [[•] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

[Not applicable *(if not rated)*]

## 3. USE OF PROCEEDS

| | | |
|---|---|---|
| (i) | Use of proceeds | General funding purposes of the Group.<br>(See "*Use of Proceeds*" wording in Base Prospectus) |
| (ii) | Estimated net amount of the proceeds | [•] / [Not Applicable] |

## 4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in

investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its] affiliates in the ordinary course of business *Amend as appropriate if there are other interests*]

5. **[Fixed Rate Covered Bonds only – YIELD]**

| | |
|---|---|
| Indication of yield: | [•] / [Not Applicable] |

6. **[Floating *Rate Covered Bonds only* – HISTORIC INTEREST RATES]**

Details of historic [*EURIBOR* / *specify other Reference Rate*] rates can be obtained from [Reuters]/[•]/[Not Applicable]

7. **EUROPEAN COVERED BOND (PREMIUM) LABEL**

| | |
|---|---|
| European Covered Bond (Premium) Label in accordance with Article 129 of the CRR: | [Applicable]/[Not Applicable] |

8. **OPERATIONAL INFORMATION**

| | |
|---|---|
| ISIN Code: | [•] |
| Common Code: | [Specify Code / Not Applicable] |
| CFI: | [•], [as published on the website of the Association of National Numbering Agencies ("**ANNA**") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [*Not Applicable*] |
| FISN: | [•], [as published on the website of the Association of National Numbering Agencies ("**ANNA**") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [*Not Applicable*] |
| Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/*give name(s) and number(s)*] |
| Delivery: | Delivery [against/free of] payment |
| Names and Specified Offices of additional Paying Agent(s) (if any) | [[Not applicable]/[•]] |
| Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes]/[No]/[Not Applicable] [Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either |

| | |
|---|---|
| | upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] |
| Deemed delivery of clearing system notices for the purposes of Condition 18 (*Notices*): | Any notice delivered to Bondholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream. |
| Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes][No][Not Applicable]<br>[Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (*emesse in forma dematerializzata*) and wholly and exclusively deposited with Euronext Securities Milan in accordance with article 83-*bis* of Italian Legislative Decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in article 83-*quarter* of such legislative decree) and does not necessarily mean that the Covered Bonds will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] |
| Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [•] |
| Any Relevant Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/*give name(s), address(es) and number(s)*] |

9. **DISTRIBUTION**

| | |
|---|---|
| Method of distribution: | [Syndicated/Non-syndicated] |
| If syndicated, names of Managers: | [Not Applicable/give names and business address] |
| Stabilising Manager(s) (if any): | [Not Applicable/give names and business address] |
| If non-syndicated, name of Arranger: | [Not Applicable/give names and business address] |
| U.S. Selling Restrictions: | [Not Applicable/ Compliant with Regulation S under the U.S. Securities Act of 1993] |

| | |
|---|---|
| Prohibition of Sales to EEA Retail Investors: | Applicable |
| Prohibition of Sales to UK Retail Investors: | Applicable |

## USE OF PROCEEDS

The net proceeds of the sale of each Tranche of Covered Bonds will be used by the Issuer, as indicated in the applicable Final Terms relating to the relevant Tranche of Covered Bonds, for general funding purposes of the Group.

## BANCA MONTE DEI PASCHI DI SIENA S.P.A.

### 1. General

BMPS was incorporated on 14 August 1995 as a joint stock company (*Società per Azioni*) under Italian legislation. On 23 August 1995, BMPS was registered with the Bank of Italy's Register (No. 5274) and with the Companies Register (No. 00884060526). BMPS has its registered office in Piazza Salimbeni 3, 53100, Siena, Italy (telephone number: +39 0577 294 111). BMPS' duration is currently limited to 31 December 2100 although this may be extended by shareholders' resolution. The LEI code of BMPS is J4CP7MHCXR8DAQMKIL78. BMPS' website is https://www.gruppomps.it/en/.

On June 1999, BMPS was listed on the Italian stock exchange and, since March 2023, it has been a member of FTSE MIB.

BMPS's corporate purpose, as set out under article 3 of its by-laws, is as follows: "*The purpose of BMPS is to collect and maintain savings and issue loans and credit, in various forms in Italy and abroad, including any related activity permitted to lending institutions by current regulations. BMPS can carry out, in accordance with the laws and regulations in force, all permitted banking and financial activities and any other transaction which is instrumental, or in any case linked, to the achievement of the company's purpose*".

BMPS is the parent company of an Italian banking group operating throughout the Republic of Italy.

Following completion, in September 2025, of the public tender and exchange offer launched on 24 January 2025 on Mediobanca, BMPS holds 86.3% of Mediobanca's share capital. As a result, the scope of the Group expanded, increasing the diversification of its business areas and reference markets.

The Group is active in the retail & commercial banking, wealth management (including digital and self-service platforms enhanced by the expertise of financial advisors networks), corporate & investment banking, specialty finance, consumer finance, and insurance segments (through its stake in Assicurazioni Generali S.p.A. ("**Assicurazioni Generali**") and its strategic partnership with AXA), as well as in support activities and fiduciary services carried out through specialized companies.

International operations are focused both on supporting the internalization processes of client companies and on wealth management activities, also through Mediobanca's foreign subsidiaries, and cover the main international financial markets.

Pursuant to article 2497 and subsequent articles of the Royal Decree 16 March 1942, no. 262 (the "**Italian Civil Code**"), the role of the parent company is carried out by BMPS which directs and coordinates the activities of its subsidiaries, including companies that, under current regulations, do not belong to the Group.

As at the date of this Base Prospectus, BMPS has a share capital of Euro 17,978,187,186.85, divided into 3,038,418,183 shares.

For any additional information on the Issuer, please refer to https://www.gruppomps.it/en/ and for any additional future annual and interim financial information, please refer to https://www.gruppomps.it/en/investor-relations/index.html.

### 2. History

BMPS, which is believed to be the oldest bank in the world currently operating, has been in continuous operation since 1472, when the General Council of the Republic of Siena approved its original charter. The Bank, then known as "Monte di Pietà", was originally established by the Republic of Siena for the purpose of providing a controlled source of lending for the local community and to fight usury. In 1624, the Bank changed its name to "Monte dei Paschi di Siena" after the *paschi*, the grazing fields owned by the Grand Duchy of Tuscany, which generated income that was pledged to support the

Bank's capital. Following the unification of the Republic of Italy, the Bank extended its activities beyond the immediate outskirts of Siena. However, significant expansion of the Bank's activities occurred only after World War I, both geographically (with the opening of approximately 100 additional branches) and in terms of activities undertaken (with the commencement of various tax collection activities on behalf of national and regional governments). In 1936, the Bank was declared a public credit institution (*Istituto di Credito di Diritto Pubblico*) organised under a new charter, which, although modified during this period, remained in force until 1995.

In 1995, the Bank was reorganised in accordance with Law No. 218 of 30 July 1990 and was incorporated as a *Società per Azioni* or joint stock company owned by Monte dei Paschi di Siena — Istituto di Diritto Pubblico.

## 3. Events

### 3.1 Major Events

*a) Precautionary Recapitalisation*

On 28 July 2017, the Italian Ministry of Economy and Finance ("**MEF**"), through a ministerial decree, ordered the application of the burden sharing measures set out by article 22, subsections 2 and 4 of Decree 237, and the strengthening of the Bank's capital. At the completion of the precautionary recapitalisation transaction the MEF was the main shareholder of BMPS with a share of 68.247%. After the completion of the partial non-proportional demerger of a going concern from BMPS in favour of AMCO, a wholly-owned subsidiary of the MEF, which was effective (towards third parties) as of 1 December 2020, the MEF owned 64.23% of BMPS share capital, while BMPS directly and indirectly held 3.62% of its own shares. On 4 October 2021, BMPS concluded the sale of 36,280,748 own shares (equal to approximately 3.62% of the share capital of BMPS), which had been initiated on 22 February 2021.

*b) 2017-2021 Restructuring Plan*

On 26 June 2017, the board of directors approved the Restructuring Plan, prepared according to the European legislation on State aid applicable to banks' capital reinforcement measures in the context of the financial crisis (the "**Restructuring Plan**").

The Restructuring Plan, together with the relevant implementing measures, was notified to the European Commission, which in July 2017 issued a positive decision on the compatibility of the intervention with the EU legislative framework.

The Restructuring Plan furthermore listed a number of commitments made by the Italian State to the EU Directorate-General for Competition (the "**DG Comp**") – as required by European legislation – with regard to several aspects of the Restructuring Plan (the "**Commitments**"). A monitoring trustee, appointed by the Bank with the approval of the DG Comp, was entrusted to verify the compliance with these Commitments on a quarterly basis.

*c) 2022-2026 Business Plan*

On 22 June 2022, the Board of Directors of BMPS approved the 2022-2026 Business Plan. Through this plan, BMPS intended to strengthen its role as leading commercial bank in Italy with a clear and simple business model. The 2022-2026 Business Plan was focused on the following pillars: 1) achieving business model sustainability; 2) building a solid and resilient balance sheet; 3) tackling the legacy issues.

Following the approval of the 2022-2026 Business Plan on 2 August 2022, the MEF announced that DG Comp had approved a revision of the Commitments that had been taken by the Republic of Italy in order to allow for the Bank's precautionary recapitalisation in 2017 pursuant to EU and Italian regulations. On 3 October 2022, the European Commission published the new Commitments that the

Bank was required to respect and which were already reflected in the actions of the 2022-2026 Business Plan.

*d) Completion of the share capital increase of Euro 2.5 billion with the full subscription of the new shares*

On 4 November 2022, BMPS completed the capital increase with no. 1,249,665,648 newly issued BMPS ordinary shares fully subscribed for the total amount of Euro 2,499,331,296. After completion of the capital increase BMPS's new share capital was equal to Euro 7,453,450,788.44, divided into no. 1,259,689,706 ordinary shares with no indication of par value. On 15 November 2022, the relevant statement pursuant to Article 2444 of the Italian Civil Code was filed with the Company Register of Arezzo-Siena in accordance with applicable law.

*e) Merger by incorporation of Consorzio Operativo di Gruppo, MPS Leasing & Factoring and MPS Capital Services into MPS*

In accordance with the initiatives outlined in the 2022-2026 Business Plan, aiming to an optimisation of the Group organisational structure, the following transactions were finalised:

- on 2 December 2022, the deed relating to the merger of Consorzio Operativo di Gruppo ("**COG**"), approved by the Board of Directors of BMPS and of COG on 10 November 2022, was executed and became effective as of 5 December 2022 and as of 1 January 2022 with respect to the accounting and tax effects;
- on 20 April 2023 the deed relating to the merger of MPS Leasing & Factoring S.p.A. ("**MPSL&F**"), approved by the Board of Directors of BMPS and of MPSL&F on 30 March 2023, was executed and such merger became effective as of 24 April 2023 and as of 1 January 2023 with respect to the accounting and tax effects; and
- on 5 May 2023 the deed relating to the merger of MPS Capital Services Banca per le Imprese S.p.A. ("**MPSCS**"), approved by the Board of Directors of BMPS and of MPSCS on 30 March 2023, was executed and became effective as of 29 May 2023 and as of 1 January 2023 with respect to the accounting and tax effects.

*f) First accelerated book building process for the sale of 25% of MEF's shareholding*

On 20 November 2023, the MEF announced that it had successfully completed the sale of no. 314,922,429 ordinary shares of BMPS, representing approximately 25% of the share capital, through an accelerated book building ("**ABB**") process reserved to Italian and foreign institutional investors (the "**First Transaction**").

The price per share was Euro 2.92 for a total value of approximately Euro 920 million. Further to completion of the First Transaction, MEF's shareholding in BMPS decreased from 64.23% to 39.23% of the share capital.

*g) Second ABB process for the sale of 12.5% of MEF's shareholding*

On 26 March 2024, the MEF announced that it had successfully completed the sale of no. 157,461,216 ordinary shares of BMPS, representing 12.5% of the share capital, through a second ABB process reserved to Italian and foreign institutional investors (the "**Second Transaction**").

The price per share was Euro 4.15 for a total value of approximately Euro 650 million. Further to completion of the Second Transaction, MEF's shareholding in BMPS decreased from 39.232% to 26.732% of the share capital.

*h) Approval by the ECB of the 2023 dividend proposal*

On 27 March 2024 BMPS received the approval from the ECB regarding the proposal for the payment of a cash dividend per share of Euro 0.25, for a total amount of approximately Euro 315 million, then submitted to the Bank's Shareholders' Meeting convened on 11 April 2024. The decision was taken following the application submitted by the Bank, in compliance with the provisions set forth by the SREP decision issued in 2023.

*i) 2024-2028 Business Plan*

On 5 August 2024, the Board of Directors of the Issuer reviewed and approved the business plan for the period 2024-2028 (the "**2024-2028 Business Plan**") with an update of the financial targets, following the overcoming of the main objectives of the previous 2022-2026 Business Plan, and with the strategic guidelines to strengthen the positioning of "A Clear and Simple Commercial Bank" driven by a digital transformation and a growing specialization of the business model for families and corporates. The 2024-2028 Business Plan aimed at creating a bank ready for the future, capable of successfully meeting the evolving needs of customers, through a process of business and technological innovation supported by an extensive investment plan, fully enhancing the Bank's talented people, further improving business sustainability, strengthening the balance sheet and focusing on value distribution and creation for all BMPS stakeholders.

*j) Third ABB process for the sale of 15% of MEF's shareholding*

On 13 November 2024, the MEF announced that it had successfully completed the sale of no. 188,975,176 ordinary shares of BMPS, representing 15% of the share capital, through a third ABB process reserved to Italian and foreign institutional investors (the "**Third Transaction**").

The price per share was Euro 5.792 for a total value of approximately Euro 1,100 million. Further to completion of the Third Transaction, MEF's shareholding in BMPS decreased from 26.732% to approximately 11.7% of the share capital. As a result of the disposal of the equity investment of the MEF, Commitment #12 of the Restructuring Plan was fulfilled and, therefore, the further Commitments provided for under the Restructuring Plan (i.e., #1 (*Acquisition prohibition*), #5 (*Remuneration of Bank employees and managers*), #9 (*Operating costs*), #10 (*Total asset target*), #11 (*Loan to deposit ratio*) and #19 (*Closure of foreign branches*)) ceased to apply.

*k) Launch of the voluntary public exchange offer on the ordinary shares of Mediobanca, approval of the related capital increase and voluntary public exchange offer on the ordinary shares of Mediobanca (the "**Mediobanca Offer**")*

On 23 January 2025, the Board of Directors of the Bank approved the launch of the Mediobanca Offer. The Bank announced this decision in a communication issued on 24 January 2025 pursuant to Article 102 of the Italian Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 37 of CONSOB Regulation no. 11971 of 14 May 1999 (the "**Issuers' Regulation**").

On 26 June 2025, the Board of Directors of BMPS resolved, in execution of the delegation granted by the Extraordinary Shareholders' Meeting of 17 April 2025, to approve the share capital increase against payment, for a total of Euro 13,194,910,000, plus share premium, with the issue of 2,230,000,000 ordinary shares, in one or more tranches and in divisible form, with the exclusion of the option right pursuant to Article 2441, paragraph 4, first sentence, of the Italian Civil Code, reserved to the Mediobanca Offer (the "**Offer Capital Increase**").

On 11 September 2025, BMPS announced that, following the expiry of the period for the acceptance of the Offer (*i.e.*, from 14 July 2025 to 8 September 2025) (the "**Acceptance Period**"), no. 506,633,074 Mediobanca shares, representing approximately 62.3% of its share capital had been tendered in acceptance of the Mediobanca Offer.

On 15 September 2025, BMPS paid the consideration due for the transfer in its favour of ownership of the Mediobanca shares. This resulted in the new composition of the share capital of BMPS, subscribed for and paid up following the execution of the Offer Capital Increase. More specifically, on such date BMPS issued 1,283,301,577 ordinary shares having the same features as the BMPS shares. As a result of such issuance, the share capital of BMPS was equal to Euro 15,046,746,219.55 and divided into 2,542,991,283 shares.

The mandatory reopening of the Acceptance Period pursuant to, and for the purposes of, Article 40-bis, paragraph 1, letter a) of the Issuers' Regulation (the "**Reopening of the Acceptance Period**") took place for the trading sessions of 16, 17, 18, 19 and 22 September 2025. On 25 September 2025, BMPS announced the final results of the Reopening of the Acceptance Period: additional no. 195,588,985 Mediobanca shares, representing approximately 24% of its share capital, had been tendered in acceptance of the Mediobanca Offer.

On 29 September 2025, BMPS paid the consideration due for the transfer in its favour of ownership of the Mediobanca shares tendered during the Reopening of the Acceptance Period. This resulted in the new composition of the share capital of BMPS, subscribed for and paid up following the execution of the Offer Capital Increase. More specifically, on such date BMPS issued 495,426,900 new ordinary shares having the same features as the BMPS shares. As a result of such issuance the share capital of BMPS was equal to Euro 17,978,187,186.85 and divided into 3,038,418,183 shares.

Based on the final results, the Issuer has announced to hold approximately 86.3% of Mediobanca's share capital.

*l) 2025 EU-wide stress test*

On 1 August 2025, the EBA, in cooperation with the ECB and the ESRB, announced the outcome of the 2025 Stress Test. Such test did not contain a pass fail threshold and instead was designed to be used as an important source of information for the purposes of the SREP. The adverse stress test scenario was set by the ECB/ESRB and covered a three-year time period (2025-2027). The results of the 2025 Stress Test assisted the competent authorities in assessing the Group's ability to meet the applicable prudential requirements under stressed scenarios.

As regards BMPS, the CET1 ratio fully loaded in 2027 as per the stress test exercise is equal to:

- baseline scenario: 22.93%, +353bps compared to the figure of 19.40% as of 31 December 2024 (restated under CRR III)
- adverse scenario: 16.83%, -257bps compared to the figure of 19.40% as of 31 December 2024 (restated under CRR III).

*m) Submission of the list for the Board of Directors of Mediobanca*

On 3 October 2025, BMPS announced that the Bank, as holder of 86.3% of Mediobanca's share capital, resolved upon the filing of a list for the appointment of Mediobanca's new Board of Directors.

On 28 October 2025, at a Board meeting held after the Annual General Meeting, the Directors of Mediobanca appointed Vittorio Umberto Grilli as Chairman and Alessandro Melzi d'Eril as Chief Executive Officer.

## 3.2 Recent developments

*a) Issuance of a European Covered Bond (Premium) in 2026*

On 15 January 2026, BMPS successfully completed the issuance of a Euro 750 million Conditional Pass-Through Covered Bond due 22 January 2030, reserved to institutional investors.

*b) Extraordinary Shareholders' Meeting: approval of the amendments to the By-Laws*

On 4 February 2026, the extraordinary Shareholders' meeting of the Issuer resolved upon the amendments of the by-laws of BMPS. In particular, the amendments related to:

(i) the introduction of the power of the ordinary Shareholders' meeting to increase the 1:1 ratio between the variable and fixed components of remuneration;

(ii) the introduction of the right of the outgoing Board of Directors to submit its own list of candidates for the renewal of the Board of Directors itself;

(iii) the procedure for the replacement of directors during their terms of office by co-optation;

(iv) the elimination of limits on the number of terms for re-election of directors;

(v) the introduction of the power of the Board of Directors to appoint its chairperson and one or two deputy chairpersons where the Shareholders' meeting has not done so;

(vi) the provisions relating to the event that only one list is submitted for the appointment of the Board of Statutory Auditors; and

(vii) the reduction to the statutory minimum of the percentage of profits to be allocated to the legal reserve and the elimination of the statutory reserve.

On 4 March 2026, the Bank confirmed receipt of the authorization from the ECB in relation to such amendments.

*c) Approval of the full integration of Mediobanca into the Group*

On 17 February 2026, the Board of Directors resolved upon (i) the Merger and (ii) the delisting of Mediobanca.

In connection with and as a consequence of the above, the corporate & investment banking and private banking activities for high-end clients of Mediobanca shall be transferred to an unlisted company, wholly-owned by the Issuer, which will retain the corporate name "Mediobanca S.p.A."; the equity stake in Assicurazioni Generali will be transferred to such new company.

*d) 2026-2030 Business Plan*

On 27 February 2026, the Board of Directors approved the 2026-2030 Business Plan.

The 2026-2030 Business Plan marks a change in the Group's strategic positioning and structure, building on the successful transformation delivered in recent years and on the integration with Mediobanca, with the objective of creating a leading, diversified and competitive banking group with solid profitability, a robust capital position and enhanced shareholder returns. The integration plan foresees a phased approach, with the merger and the main corporate and governance steps expected to be completed by the end of 2026, and the full realization of the target operating and IT model thereafter.

The 2026-2030 Business Plan is built on a set of clearly defined pillars that underpin the Group's ability to deliver sustainable growth and long-term value creation. At its core, the 2026-2030 Business Plan leverages the strength of BMPS' and Mediobanca's highly visible and trusted iconic brands, serving more than 7 million clients, and a deeply rooted commercial franchise, which continues to represent a key competitive advantage in terms of client proximity, trust and market presence. This foundation is strengthened further by a highly diversified, and complementary business mix, which enhances earnings quality and resilience across economic cycles, while enabling

the Group to address client needs along the full spectrum of financial services.

Technology and digital transformation represent another pillar of the 2026-2030 Business Plan: the Group has defined a unified digital and AI agenda, with approximately Euro 1 billion of IT investments over 2026-2030, aimed at modernising, securing and scaling the Group's platforms and operations.

Following completion of the Merger, the Group will operate under a clear and streamlined organizational structure, articulated into five distinctive business divisions, designed to fully capture industrial synergies, strengthen managerial accountability and accelerate execution while ensuring revenues quality with a well-diversified business mix:

- "Retail & Commercial Banking" as the primary relationship and origination engine, supported by AI-powered processes and accelerated digital journeys; this division contributes for about 29% of the Group revenues.

- "Consumer Finance", leveraging Compass Banca S.p.A. ("**Compass**") as a scalable center of excellence, with international growth ambitions; this division contributes about 19% of the Group revenues.

- "Asset Gathering & Wealth Management", as a fee-compounding growth engine integrating Widiba S.p.A. ("**Widiba**") and Mediobanca Premier S.p.A. ("**Mediobanca Premier**") capabilities; this division contributes about 21% of the Group revenues.

- "Private Banking", positioned as a private investment banking franchise at scale, focused on entrepreneurs and high-net-worth individuals; this division contributes about 9% of the Group revenues.

- "Corporate & Investment Banking", advisory-led and increasingly international, combining debt, markets and commercial banking services; this division contributes about 14% of the Group revenues.

- "Principal Investing" ensures diversified and uncorrelated earnings generation, including the 13% strategic stake in Assicurazioni Generali; this activity contributes about 8% of the Group revenues.

*e)* *Approval of the plan for the merger by incorporation of Mediobanca into Banca Monte dei Paschi di Siena*

On 10 March 2026, both the Boards of Directors of BMPS and of Mediobanca approved the plan for the Merger (the "**Merger Plan**").

The Merger is consistent with the directions of the 2026-2030 Business Plan approved by BMPS in February 2026, and is part of a broader reorganisation project, which also envisages:

- the assignment of the corporate & investment banking and private banking activities serving high-end clients to a wholly-owned, unlisted subsidiary of BMPS, which will be named "Mediobanca S.p.A.". In this context, the shareholding held in Assicurazioni Generali will also be transferred to the new "Mediobanca S.p.A."; and

- the industrial integration of the networks of financial advisors and the retail and affluent wealth management activities of Mediobanca Premier and Widiba (which will adopt a new corporate name which will also include the Mediobanca brand).

The Boards of Directors of BMPS and of Mediobanca determined the exchange ratio (not subject to adjustments or cash payments) to be no. 2.450 BMPS ordinary shares, without par value, for each

outstanding Mediobanca ordinary share, without par value. The determination of the exchange ratio takes into account the distribution of dividends relating to the financial period ended 31 December 2025 as disclosed to the market by the Boards of Directors of BMPS and of Mediobanca on 10 February 2026 and 9 February 2026, respectively.

Consequently, BMPS will proceed with an increase of its share capital for a maximum amount of Euro 1,609,487,836.43 through the issuance of up to a maximum of 272,012,804 ordinary shares, with no par value, in application of the exchange ratio and in accordance with the share allocation mechanisms detailed in the Merger Plan.

*f)* *Ordinary Shareholders' Meeting held on 15 April 2026*

On 15 April 2026, the Ordinary Shareholders' Meeting of the Issuer resolved upon, *inter alia*, the following matters.

(a) **Financial statements**. The Shareholders' Meeting approved the financial statements of the Issuer as at 31 December 2025 and resolved to distribute a dividend of Euro 0.86 per outstanding share entitled to dividend payment.

(b) **Board of Directors**. The Shareholders' Meeting determined the number of members of the Board of Directors at 15, with two Deputy Chairpersons. The Shareholders' Meeting resolved to appoint the following members of the Board of Directors have been appointed for the financial years 2026, 2027 and 2028: no. 8 Directors (Mr. Cesare Bisoni, Mr. Luigi Lovaglio, Ms. Flavia Mazzarella, Ms. Livia Amidani Aliberti, Mr. Massimo di Carlo, Ms. Patrizia Albano, Mr. Carlo Corradini and Ms. Paola Leoni Borali) have been drawn from the list submitted by shareholders PLT Holding S.r.l. and PLT S.p.A. (collectively holding 1.0329% of the Issuer's share capital), which received the highest number of votes at the Shareholders' Meeting, with a percentage of 49.953% of those present; no. 6 Directors (Mr. Nicola Maione, Mr. Fabrizio Palermo, Mr. Corrado Passera, Mr. Carlo Vivaldi, Mr. Paolo Boccardelli and Ms. Antonella Centra) have been drawn from the list submitted by the outgoing Board of Directors ranking second in terms of number of votes with a percentage of 38.795% of those present; and no. 1 Director (Ms. Paola De Martini) has been drawn from the list submitted by institutional investors collectively holding 0.78045% of the Issuer's share capital, voted by the minority and ranking third in terms of number of votes with a percentage of 6.945% of those present.

(c) **Board of Statutory Auditors**. The following members of the Board of Statutory Auditors have been appointed for the financial years 2026, 2027 and 2028: as effective Standing Auditors: Mr. Pierluigi Pace (Chairperson), nominated from List no. 1 submitted by institutional investors, voted by the minority and ranking second in terms of number of votes, with a percentage of 33.391% of those present; Ms. Monica Vecchiati, nominated from List bo. 3 submitted by PLT Holding S.r.l. and PLT S.p.A., which received the majority of votes, with a percentage of 40.337% of those present; and Ms. Lavinia Linguanti, appointed – pursuant to the applicable provisions of the By-Laws – by majority, with a percentage of 52.212% of those present, upon a candidacy proposed directly at the Shareholders' Meeting. The alternate Statutory Auditors appointed are: Francesca Sandrolini, nominated from the aforementioned List no. 3, which obtained the highest number of votes, and Alberto Sodini, nominated from the aforementioned List no. 1, voted by the minority and ranking second in terms of number of votes.

For further details on the Board of Directors and the Board of Statutory Auditors, please refer to the "*Management of the Bank*" section below.

*g)* *Board of Directors' meeting held on 23 April 2026*

The Board of Directors of the Issuer, as appointed by the Ordinary Shareholders' Meeting convened on

15 April 2026, held its first meeting on 23 April 2026 and resolved, *inter alia*, to appoint (i) Mr. Cesare Bisoni as Chairperson of the Board of Directors and Mr. Carlo Corradini and Ms. Flavia Mazzarella as Deputy Chairpersons of the Board of Directors, the latter as Acting Deputy Chairperson; and (ii) Mr. Luigi Lovaglio as Chief Executive Officer and General Manager of the Issuer. In this respect, please also refer to the "*Management of the Bank*" section below.

*h)* *Forfeiture of office of Director Carlo Vivaldi pursuant to Article 15, paragraph 1 of the By-Laws*

On 4 May 2026 the Board of Directors of the Issuer, pursuant to article 15, paragraph 1 of the By-Laws (which provides for the immediate forfeiture of office of those serving on the board of directors of a competing bank), declared the forfeiture of office of Carlo Vivaldi, as Director, given that he concurrently held office as a director of Banca Mediolanum S.p.A..

*i)* *Resignation of Director Fabrizio Palermo*

On 6 May 2026 Fabrizio Palermo, independent Director and member of the Related-Party Transactions Committee, resigned from office, with immediate effect.

The Board of Directors of the Issuer will proceed with the co-optation of the two Directors who have ceased from office mentioned *sub* letter (h) above and this letter (i), in accordance with applicable law and the By-Laws. For further details in this respect, please refer to the "*Management of the Bank*" section below.

### 3.3 Sustainability strategy and governance

Following the launch of the 2026-2030 Business Plan entitled "*From deep roots to new frontiers – A Leading Competitive Force in* Banking", sustainability has been confirmed as a founding value of the Group's strategy.

Within its 2026-2030 Business Plan, the Issuer is focused on stakeholder-led governance, decarbonization driving client transition and sustainable finance for impact.

Specifically, the Issuer is committed to launch a structured stakeholder-engagement model to co-design sustainable solutions, to build a permanent dialogue network to align the transition with local priorities and unlock BMPS-Mediobanca synergies and to integrate environmental and social factors into the risk framework and processes.

The Issuer will continue to support clients in the transition by offering ESG financing products focused on renewable energy, on energy efficiency, on sustainable production activities and by intensifying dialogue with high-emitting companies to pursue harmonized decarbonization targets by 2030. The Group also confirmed its commitment to deliver net-zero on its own operations by 2030.

BMPS is also committed to make sustainable finance an engine of growth, mobilizing capital for social infrastructure and housing through tailored finance and public-private partnerships, while promoting inclusion through social finance initiatives and financial education programmes.

Furthermore, the Issuer has strengthened its sustainability governance in line with the evolving regulatory and global context in which the sustainability values increasingly guide the Issuer's activities and strategies towards the development of business models and policies that create long-term value. This involves integrating ESG components into planning, compensation systems, risk management models, and monitoring tools.

The responsibilities of each corporate function are regulated according to four guidelines (strategy,

actions and policies, risk factor management, monitoring and reporting) and set out under internal directives of the Issuer, which define the organisational model adopted by the Group on the sustainability matter and identify areas of commitment on which the development of the Group's sustainable business model is based.

In addition, since 2017 the Issuer prepares an annual consolidated non-financial statement, in the first place pursuant to articles 3 and 4 of Legislative Decree 30 December 2016, No. 254 and, now, pursuant to Legislative Decree 6 September 2024, No. 125, implementing the Directive (EU) 2022/2464 (the corporate sustainability reporting directive, CSRD), concerning the disclosure of non-financial information that is useful to ensure a better understanding of the company's performance and results as well as the positive and negative impacts of its activity. Such document is published annually by the Issuer and made available on its website under the "*Sustainability*" section (https://gruppomps.it/en/sustainability/index.html).

## 3.4 SREP Decisions

The Issuer, to the extent it carries on banking activities and provides investment services, is subject to complex regulation and to the specific supervision of, among others, the ECB, the Bank of Italy, each for the relevant aspects of competence. In exercising supervisory powers, the ECB and the Bank of Italy subject the Issuer, on a periodic basis, to various investigation and/or verification activities, both ordinary and extraordinary, for the purpose of fulfilling prudential supervision duties.

In particular, the ECB carries out the SREP at least once a year to verify that credit institutions have adequate capital and organisational control measures compared against the risks they take, ensuring effective risk management. Specifically, the SREP process is based on the following four pillars: (i) assessment of feasibility and sustainability of the business model; (ii) assessment of the adequacy of governance and risk management; (iii) assessment of capital risks; and (iv) assessment of liquidity risks. At the end of the annual SREP process, the supervisory authority expresses a decision (the "SREP Decision") on quantitative capital and/or liquidity requirements together with any other organisational and control recommendations that credit institutions are required to comply with.

*2025 SREP Decision*

On 2 December 2025, the Bank announced that it has received the final decision of the ECB regarding the capital requirements to be respected, at a consolidated level, starting from 1 December 2025 (the "**2025 SREP Decision**"), following the review of the SREP decision taken on 10 December 2024.

The additional P2R has been improved by 30 bps compared to the previous level (2.50%), settling at 2.20%. The overall minimum requirement in terms of CET1 ratio is at 9.01%, the sum of Pillar 1 - P1R (4.50%), P2R (2.20%)[10] and CBR (3.27%)[11].

The P2G, set at 1.00%, was reduced by 15 bps compared to the previous level.

On the basis of the financial statements as at 31 December 2025, BMPS was well above such new requirements, with capital ratios, at a consolidated level, at:

[10] The additional P2R, reduced from 2.50% to 2.20%, must be filled in, according to CRD V art.104a, for at least 56.25% (1.24%) with CET1 capital and for 75% (1.65%) with Tier 1 capital.

[11] CBR is composed by: 2.50% Capital Conservation Buffer (CCB), 0.09% Countercyclical Buffer (CCyB) and 0.68% Systemic Risk Buffer (SyRB). The last two ones are the requirements calculated on the basis of exposures as at 31 December 2025.

- 16.2% fully loaded, as Common Equity Tier 1 ratio, vs a requirement of 9.01%; and
- 18.4% fully loaded, as Total Capital ratio, vs a requirement of 13.47%.

Lastly, the Bank of Italy identified the Group for 2026 as an Other Systemically Important Institution (O-SII) authorised in Italy, and, therefore, the Group has to maintain, starting from 1 April 2026, an O-SII buffer equal to 0.50% of its total risk-weighted exposures.

## 4. Ratings

In 2025 all the rating agencies upgraded the Bank's ratings. In detail:

On 4 July 2025, Fitch upgraded the Bank's ratings, leading to investment grade level at "BBB-" (from "BB+") the Long-term Issuer Default Rating and the rating on Long-term Senior preferred. The Viability Rating has been upgraded to "bbb-" (from "bb+"). Following the publication of the updated Bank Rating Criteria, on 12 May 2026 Fitch took rating actions on 12 Italian banking groups; with respect to the Bank, this resulted in the upgrade by one notch of its deposit ratings, with the long-term deposit rating revised to "BBB+" (from "BBB") and the short-term rating to "F2" (from "F3").

On 1 October 2025, Moody's upgraded the Bank's ratings, leading the long-term rating on senior unsecured debt to "Baa3" (from "Ba1") and the long-term deposit rating to "Baa1" (from "Baa2"), the outlook has been confirmed as "positive". The Baseline Credit Assessment ("BCA") was confirmed at "ba1". On 25 November 2025, following the upgrade of the Republic of Italy's rating to "Baa2" from "Baa3" on 21 November 2025, Moody's confirmed the Bank's ratings and outlook.

Finally, on 2 October 2025, Morningstar DBRS upgraded the Bank's ratings, strengthening BMPS's investment grade raising the Long-Term Issuer rating and the Long-Term Senior Debt rating to "BBB" from "BBB (low)" and, at the same time, upgraded the Long-Term Deposit rating to "BBB (high)" from "BBB". The outlook on long-term ratings has been confirmed as "positive".

As at the date of this Base Prospectus, the ratings assigned by each Rating Agency are the following:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Fitch** | **Viability Rating** | **Long-Term Issuer Default rating** | **Long-Term deposit rating** | **Short-Term Issuer Default rating** | **Long-Term Senior Preferred debt rating** | **Long-Term Outlook** | **Latest update** |
| | bbb- | BBB | BBB+ | F2 | BBB- | Stable | 12 May 2026 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Moody's** | **Baseline Credit Assessment** | **Long-Term Senior Unsecured Debt rating** | **Long-Term deposit rating** | **Short-Term debt rating** | **Long-Term Deposit and Senior Unsecured Outlook** | **Latest update** |

| | | | | | | |
|---|---|---|---|---|---|---|
| | ba1 | Baa3 | Baa1 | (P)P-3[12] | Positive | 25 November 2025 |

| Morningstar DBRS | Intrinsic Assessment | Long-Term Issuer rating | Long-Term deposit rating | Short-Term Issuer rating | Long-Term Senior Debt rating | Long and Short-Term Issuer Outlook | Latest update |
|---|---|---|---|---|---|---|---|
| | BBB | BBB | BBB (high) | R-2 (high) | BBB | Positive | 2 October 2025 |

For any further and updated information please refer to the following page: https://www.gruppomps.it/en/investor-relations/rating-mps.html.

## 5. Principal companies of the Group

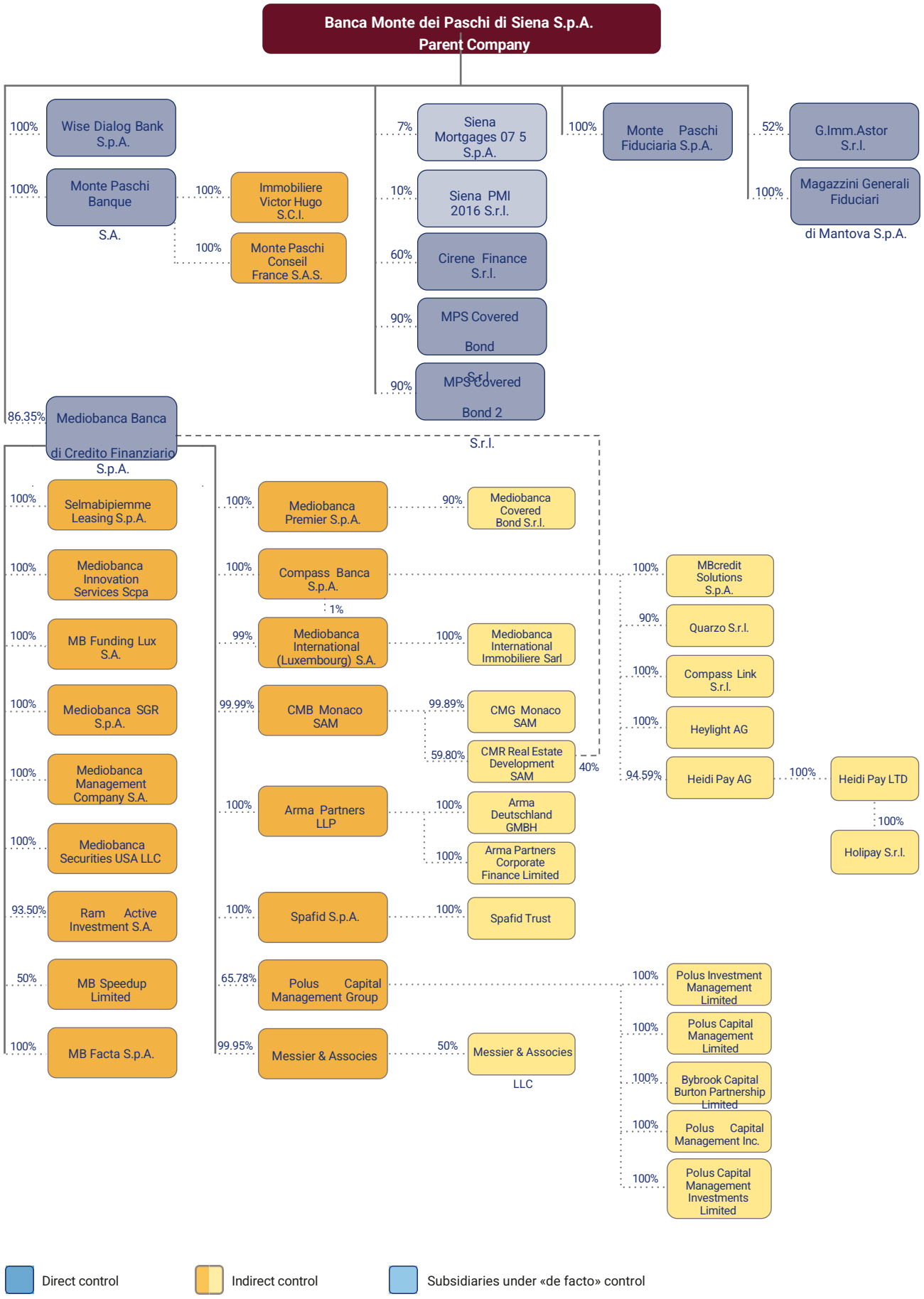
BMPS, as the parent company of the Group, performs the functions of policy, governance and control of the controlled financial companies and subsidiaries in addition to its banking activities.

BMPS, as the bank that exercises the management and coordination activities of the Group, pursuant to the fourth paragraph of article 61 of the Italian Consolidated Banking Act, issues, in the performance of the activities of management and coordination, instructions to the companies within the Group, including executing the instructions given by the relevant supervisory bodies and in the interest of maintaining the Group's stability.

In September 2025 the Group's perimeter increased as a result of the assumption of control of Mediobanca.

The chart below sets out the main companies of the Group and their percentage ownership as at the date of this Base Prospectus.

[12] Other short term ratings. The rating is related to the issuance programme and is therefore provisional (P).


Banca Monte dei Paschi di Siena S.p.A.
Parent Company
100%
Wise Dialog Bank S.p.A.
100%
Monte Paschi Banque S.A.
100%
Immobiliere Victor Hugo S.C.I.
100%
Monte Paschi Conseil France S.A.S.
7%
Siena Mortgages 07 5 S.p.A.
10%
Siena PMI 2016 S.r.l.
60%
Cirene Finance S.r.l.
90%
MPS Covered Bond S.r.l.
90%
MPS Covered Bond 2 S.r.l.
100%
Monte Paschi Fiduciaria S.p.A.
52%
G.Imm.Astor S.r.l.
100%
Magazzini Generali Fiduciari di Mantova S.p.A.
86.35%
Mediobanca Banca di Credito Finanziario S.p.A.
100%
Selmabipiemme Leasing S.p.A.
100%
Mediobanca Innovation Services Scpa
100%
MB Funding Lux S.A.
100%
Mediobanca SGR S.p.A.
100%
Mediobanca Management Company S.A.
100%
Mediobanca Securities USA LLC
93.50%
Ram Active Investment S.A.
50%
MB Speedup Limited
100%
MB Facta S.p.A.
100%
Mediobanca Premier S.p.A.
90%
Mediobanca Covered Bond S.r.l.
100%
Compass Banca S.p.A.
1%
99%
Mediobanca International (Luxembourg) S.A.
100%
Mediobanca International Immobiliere Sarl
99.99%
CMB Monaco SAM
99.89%
CMG Monaco SAM
59.80%
CMR Real Estate Development SAM
40%
100%
Arma Partners LLP
100%
Arma Deutschland GMBH
100%
Arma Partners Corporate Finance Limited
100%
Spafid S.p.A.
100%
Spafid Trust
65.78%
Polus Capital Management Group
99.95%
Messier & Associates
50%
Messier & Associates LLC
100%
MBcredit Solutions S.p.A.
90%
Quarzo S.r.l.
100%
Compass Link S.r.l.
100%
Heylight AG
94.59%
Heidi Pay AG
100%
Heidi Pay LTD
100%
Holipay S.r.l.
100%
Polus Investment Management Limited
100%
Polus Capital Management Limited
100%
Bybrook Capital Burton Partnership Limited
100%
Polus Capital Management Inc.
100%
Polus Capital Management Investments Limited
Direct control
Indirect control
Subsidiaries under «de facto» control

## 6. Group Profile

As at 31 December 2025, the Group is an Italian banking institution with approximately 7.5 million customers, assets of Euro 241.6 billion (rounded) and significant market shares in all the areas of business in which it operates.

As at 31 December 2025, the Group counts approximately 22,079 employees. The Group, net of the Mediobanca Group, counts approximately 16,546 employees, down by 181 units compared to 31 December 2024.

The Group is active in the retail & commercial banking, wealth management (including the digital and self service system, enhanced by the expertise of the financial advisor networks), corporate & investment banking, specialty finance and consumer finance. The Group also operates in insurance segments through the stake in Assicurazioni Generali and its strategic partnership with AXA and provides support activities and fiduciary services carried out through specialized companies.

Customers of BMPS are divided by target segments to which an ad hoc service model is applied in order to best respond to the specific needs and demands expressed, and are served through an integrated combination of "physical" and "remote" distribution channels. Customers of Mediobanca, instead, are classified into the following business lines: wealth management, consumer finance, corporate & investment banking and insurance.

As at the end of 2025, the Group's Italy network comprised 1,549 branches registered with the Supervisory Authority and 220 specialist centres, enhanced by 1,288 financial advisor and 585 bankers throughout the Country.

The Group has an international presence with a foreign network geographically distributed in major financial and economic markets and in several emerging countries with high growth rate, with significant trading relations with Italy, currently structured as follows: seven representative offices in target areas of Europe, North Africa, India and China; three banks incorporated under foreign law, namely Monte Paschi Banque S.A., operating in France (in the process of being divested), CMB Monaco and Mediobanca International (Luxembourg); four operating branches, located in London, Madrid, Paris and Frankfurt and one branch in Shanghai, in the process of being closed.

### *Organisational structure*

Group overview

The Group is a financial, credit, insurance, integrated and multi-market entity, characterised by an organisation based on:

- a central direction and management coordination structure represented by BMPS as parent company of the Group, which also carries out operational activities on behalf of the commercial network;
- a production structure dedicated to the development of specialist financial instruments to offer the market;
- a distribution structure, consisting of the business units of both BMPS and Widiba, with a network of financial advisors.

The Group's operations focus on traditional retail and commercial banking services, with activities prevalent in Italy.

In September 2025, the Group's perimeter increased as a result of the assumption of control of Mediobanca. The 2026-2030 Business Plan defines the new Group Organizational Model specialized in the following business areas:

- retail &commercial banking;
- consumer finance;
- asset gathering & wealth management;
- (U)HNWI – ultra-high net worth individuals; and
- corporate & investment banking.

The Group is also active in business areas such as leasing, factoring, corporate finance and investment banking. The insurance-pension sector is covered by a strategic partnership with AXA while asset management activities are based on the offer of investment products of independent third parties.

The Group combines traditional services offered through the network of branches and specialised centres with an innovative self-service and digital services system enhanced by the skills of the Widiba financial advisor network.

Foreign banking operations are focused on supporting the internationalisation processes of corporate clients in all major foreign financial markets.

The Group is also present in specific non-banking business areas with the aim of directly controlling economic areas of particular interest, such as companies operating in the agricultural sector, both wine and food, with also a real estate component intended for agritourism and hospitality activities (MPS Tenimenti Poggio Bonelli e Chigi Saracini Società Agricola S.p.A.) as well as custody and deposit services for third parties (Magazzini Generali).

Intragroup transactions primarily regard the financial support from the Bank as parent company to other companies, outsourcing services relative to the auxiliary activities provided by the Bank as parent company (IT services, administrative services and property management).

The Group's organisational structure as at the date of this Base Prospectus is set out below:


BMPS as parent company of the Group

Through its Head Office, BMPS performs the functions of direction, coordination and control over the Group's companies, as part of the more general guidelines set out by the board of directors and in the interest of the Group's stability.

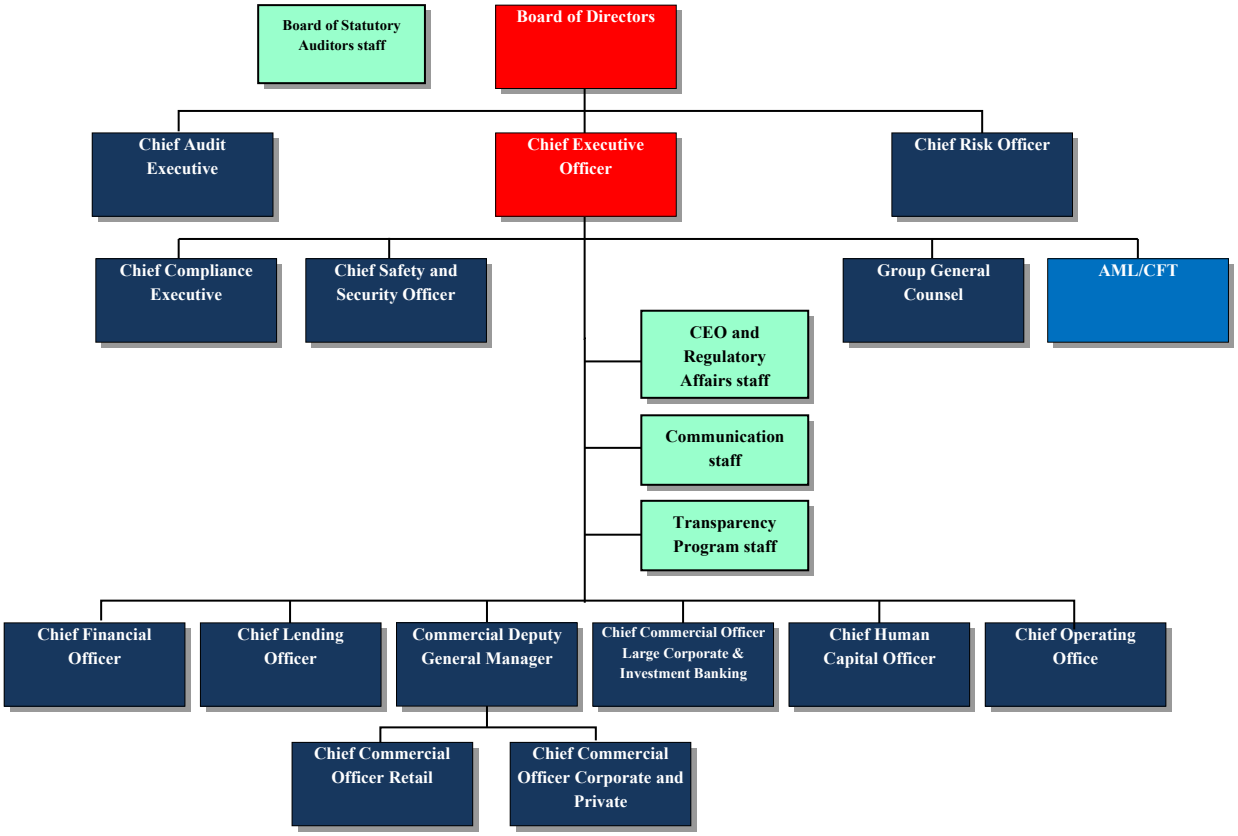
The monitoring and control functions (Chief Audit Executive department and Chief Risk Officer department) report to the Board of Directors, the business, governance and support functions, in addition to the compliance department, are directly supervised by the Chief Executive Officer, strengthening the specialisation of the departments dedicated to the individual business segments.

As at the date of this Base Prospectus, the Bank is divided into the following structures reporting directly to the Chief Executive Officer:

- the Chief Lending Officer department;
- the Deputy Commercial General Manager;
  - the Chief Commercial Officer Retail department;
  - the Chief Commercial Officer Corporate and Private department;
- the Chief Commercial Officer Large Corporate & Investment Banking department;
- the Chief Safety and Security Officer department;
- the Group General Counsel department;
- the Chief Financial Officer department;
- the Chief Operating Officer department;

- the Chief Human Capital Officer department;
- the Chief Compliance Executive department;
- the Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) department;
- the Communication staff;
- the CEO and Regulatory Affairs staff;
- the Transparency Program staff.

The organisational chart of the Bank's head offices as at the date of this Base Prospectus is set out below:




## 7. Funding and Banking Book

### 7.1. Funding

As at the date of this Base Prospectus, the Group accesses various funding sources, on the domestic market and international markets, both from retail customers and qualified/institutional investors, aimed at minimizing the overall cost of funding, while ensuring adequate diversification and compliance with all internal and regulatory requirements.

Retail domestic funding is composed both of current accounts and time deposits and through the issuance of securities (plain vanilla and structured), while institutional funding is mainly raised through public bond issues executed under dedicated programmes for senior preferred, senior non-preferred and/or subordinated notes and for covered bonds, secured funding backed by asset classes other than residential mortgages (consumer, leasing, factoring, SMEs), in various technical forms (ABS - also in SRT form, bilateral, CLC, certificates, secured loans, etc.) and repurchase agreements (repo).

As at the date of this Base Prospectus, outstanding issues under this Covered Bond Programme are equal to a total aggregate notional amount of Euro 6.850 billion (rounded).

The monitoring and control of liquidity risk is carried out on a daily basis (short-term liquidity) and monthly (structural liquidity) and has the objective of monitoring the evolution of the risk profile by verifying its adequacy with respect to the risk appetite framework and operating limits. In particular, the Group uses a monitoring system that includes both short-term and long-term liquidity indicators. In 2025, the Group's liquidity and funding profile was higher than the regulatory and internal risk limits.

### 7.2. Banking Book of the Group

The management of the banking book of the Group relates to the maturity transformation of balance sheet assets and liabilities, treasury, foreign branches, and reference hedging derivatives. Changes (both positive and negative) in the interest rates trends in the markets in which the Group operates can have an impact on the value of the Group's assets and liabilities and on NII.

The regulatory measures for supervisory outlier test ("**SOT**") NII and SOT EVE, as calculated at the Group level (including Mediobanca), as of 31 December 2025, indicate a moderate risk profile. As at the same date, both the SOT, NII and SOT EVE are comfortably within the regulatory thresholds and the Group is favourably positioned to:

- an increase of interest rates, relating to NII with a SOT NII of 2.28% against a regulatory maximum of 5%; and
- a decrease of interest rates, relating to EVE with a SOT EVE: 6.81% against a regulatory maximum of 15%.

## 8. Competition

The Group operating as a unique commercial franchise with full coverage from retail to high-end private banking, from small and medium enterprises to multinational corporates, faces multisectorial competion pressures.

On the retail & commercial banking side, the Group faces significant competition from a large number of banks throughout the Republic of Italy. In attracting retail deposits and financing retail customers, the Bank primarily competes at the domestic level with medium-sized local banks, and to a lesser extent, with super-regional banks. The Bank's major competitors in the Italian banking market are Italian national and super-regional banks such as UniCredit, Intesa Sanpaolo, Banco BPM, BPER and Credit Agricole Italia.

Creating a top-tier consumer finance platform, leveraging Compass capabilities and MPS distribution, the Group faces competition with other specialized companies in the market (i.e., Agos and Findomestic).

In asset gathering & wealth management, integrating the Widiba and Mediobanca Premier financial advisor capabilities, the Group expands the product offering and strengthens advisory services, adopting a multichannel service model and competing with the largest advisory network in the domestic market (i.e., Fideuram, Mediolanum and Fineco). Similarly, in the private banking business the new Group faces competition from large Italian banking groups and international boutiques.

In the corporate & investment banking business, leveraging Mediobanca's investment banking capabilities and MPS commercial & transaction banking and combining deep advisory with debt, markets and commercial banking services, the Group faces competition with national and international investment banks.

In recent years, the domestic banking sector has faced increasing price competition driven by greater transparency, increased banking services portability, and accelerated digitalization. Moreover, the banking industry is moving towards consolidation, creating larger, more effective and competitive banking groups with which the Issuer must compete in all parts of its business.

Moreover, incumbent fintech operators add competitive pressure in the market in specific business areas (i.e. payment systems and liquidity management services). Competition from non-bank competitors providing banking services, which activity is not as regulated and subject to the scrutiny under existing banking laws and regulations, still arises.

### 9. ECB/Bank of Italy, Consob and other authorities inspections

In the normal course of business, the Group is subject to audits by the Supervisory Authorities. In particular, within the European banking supervisory system (Single Supervisory Mechanism), the Group is subject to prudential supervision by the ECB; with reference to specific issues, supervisory activities are the direct responsibility of the Bank of Italy and Consob.

For a description of the inspection activities and procedures carried out by the relevant supervisory authorities on the Issuer and the other companies of the Group as part of their normal banking activity, please refer to the "*Inspection activities and procedures of the Supervisory Authorities*" paragraph of the 2024 Consolidated Financial Statements and to the "*Inspection activities and procedures of the Supervisory Authorities*" paragraph of the 2025 Consolidated Financial Statements, available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

### 10. Legal Proceedings

As at 31 December 2025, the overall petitum of court proceedings, where quantified, amounts to Euro 2.8 billion (rounded) and the out-of-court claims' petitum amounts to Euro 0.06 billion; in this respect it should be noted that only a portion of the relevant proceedings and out-of-court claims brought against the Issuer were classified as "probable" for the purposes of estimating the relevant provisions under the accounting and financial reporting rules applicable to the Issuer.

The Group operates in a legal and regulatory context which exposes it to a wide variety of legal proceedings, relating, for example, to the conditions applied to its customers, to the nature and characteristics of the products and financial services sold, to administrative irregularities, to clawback actions for bankruptcies and to labour law disputes.

For a description of the legal, employment and tax proceedings involving the Group, please refer to the section "*Main types of legal, employment and tax risks*" of the 2025 Consolidated Financial Statements starting on page 713 and to the section *"Main types of legal, employment and tax risks"* of the Consolidated Interim Report as at 31 March 2026 starting on page 65, available at the Issuer's website (https://www.gruppomps.it/en/investor-relations/index.html).

## MANAGEMENT OF THE BANK

Pursuant to the BMPS' By-Laws the Bank is managed by a Board of Directors tasked with strategic supervision.

Under the Italian Civil Code, the Bank is required to have a Board of Statutory Auditors.

Each Director and Statutory Auditor shall meet the requirements provided for by the applicable laws and BMPS' By-Laws.

### Board of Directors

The Ordinary Shareholders' Meeting of the Bank held on 15 April 2026 appointed the members of the Board of Directors for the financial years 2026, 2027 and 2028.

Following the forfeiture of office of Director Carlo Vivaldi (pursuant to Article 15, paragraph 1 of the Issuer's By-Laws) declared by the Issuer on 4 May 2026 and following the resignation of Director Fabrizio Palermo on 6 May 2026, the Board of Directors of the Issuer – as at the date of this Base Prospectus – is composed of 13 members, listed in the following table.

It should be noted that the two ceased Directors Carlo Vivaldi and Fabrizio Palermo had been drawn from a minority list (submitted by the outgoing Board of Directors); therefore, in order to replace them, in the event of co-optation under Italian Civil Code, the Issuer's By-Laws (Article 15, paragraph 10, letter b) provides that – where Directors elected from a list that has expressed a minority of the Directors shall be replaced – the Board of Directors proceeds to select the co-opted person proceeding to scroll through those not elected included in the same minority list.

| Name | Position | Place and date birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|
| Cesare Bisoni (*) | Chairperson | Caslino d'Erba (CO), 1 October 1944 | Director of Fondazione Universitaria Marco Biagi |
| Carlo Corradini (*) | Deputy Chairperson | Modena, 16 November 1960 | Director of PLT Holding S.r.l. Chairperson of the Board of Directors of PLT S.p.A.<br>Chairperson of the Board of Directors of BANOR SIM S.p.A. |
| Flavia Mazzarella (*) | Acting Deputy Chairperson | Teramo, 24 December 1958 | Director of WeBuild S.p.A.<br>Director of Cassa Depositi e Prestiti (CDP) S.p.A.<br>*Co-Chair* of WDC Italy |
| Luigi Lovaglio | Chief Executive Officer and General Manager | Potenza, 4 August 1955 | Director of Associazione Bancaria Italiana and member of the Executive Committee of Associazione Bancaria Italiana |
| Livia Amidani Aliberti (*) | Director | Rome, 15 July 1961 | Director of CDP Venture Capital SGR S.p.A. |

| | | | |
|---|---|---|---|
| Massimo di Carlo (*) | Director | Rovereto (TN), 25 June 1963 | - |
| Patrizia Albano (*) | Director | Naples, 29 August 1953 | Director of Piaggio &C. S.p.A.<br>Standing Auditor of Artemide Group S.p.A. and Artemide S.p.A.<br>Standing Auditor of Milanosesto SICAF in Gestione Esterna S.p.A.<br>Lawyer<br>Member of "*Comitato Investimenti*" (Investment Committee) of Be Cause SICAF S.p.A. |
| Paola Leoni Borali (*) | Director | Piacenza, 8 December 1967 | Director of Iniziativa Gestione Investimenti SGR<br>Director of Doxee S.p.A.<br>Adjunct Professor in Università Cattolica Milan |
| Nicola Maione (*) | Director | Lamezia Terme (CZ), 9 December 1971 | Lawyer, owner of Studio Legale Maione<br>Chairperson of AXA MPS Assicurazioni Danni S.p.A.<br>Chairperson of AXA MPS Assicurazioni Vita S.p.A.<br>Deputy Chairperson of the Board of Directors and of the Executive Committee of Associazione Bancaria Italiana |
| Corrado Passera (*) | Director | Como, 30 December 1954 | Sole Director of METIS S.p.A.<br>Sole Director of TETIS S.p.A. |
| Paolo Boccardelli (*) | Director | Rome, 7 August 1971 | Rector and Member of the Board of Directors of LUISS University<br>Full Professor of Management and Corporate Strategy at LUISS University<br>Chairperson of BDV Consulting S.r.l.<br>Member of "Collegio degli esperti" – "Consiglio tecnico scientifico degli esperti" of Italian Ministry of Economy and Finance (MEF). |

| | | | |
|---|---|---|---|
| Antonella Centra (*) | Director | Rome, 20 September 1969 | Director of AMCO Asset Management S.p.A.<br>Advisory Committee Member of FEduF Fondazione per l'Educazione Finanziaria ed al Risparmio |
| Paola De Martini (*) | Director | Genoa, 14 June 1962 | Statutory Auditor of SOL S.p.A. |

*(*) Independent director, who meets the independence requirements established by the laws and regulations in force, the By-Laws and the further independence requirements established by the Corporate Governance Code.*

**Managers with strategic responsibilities**

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| 1. | Luigi Lovaglio | Chief Executive Officer and General Manager | Potenza, 4 August 1955 | Director of Associazione Bancaria Italiana and member of the Executive Committee of Associazione Bancaria Italiana |
| 2. | Maurizio Bai | Deputy Commercial General Manager | Grosseto, 23 July 1967 | // |
| 3. | Dimitri Bianchini | Chief Commercial Officer Imprese e Private | Florence, 26 December 1970 | // |
| 4. | Massimiliano Bosio | Chief Audit Executive | Turin, 26 July 1971 | // |
| 5. | Vittorio Calvanico | Chief Safety and Security Officer | Naples, 8 February 1964 | // |
| 6. | Ettore Carneade | Compliance Officer | Mola di Bari (BA), 16 June 1961 | // |
| 7. | Fiorella Ferri | Chief Human Capital Officer | Sovicille (SI), 5 June 1962 | // |

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| 8. | Alessandro Giacometti | Chief Operating Officer | Faenza (RA), 3 October 1965 | Member of Management Committee of ABI LAB Centro di ricerca e innovazione per la Banca |
| 9. | Fabrizio Leandri | Chief Lending Officer | Rome, 21 April 1966 | Deputy Chairperson of Monte Paschi Banque S.A. |
| 10. | Andrea Maffezzoni | Chief Financial Officer and Financial Reporting Officer | Sesto San Giovanni (MI), 27 March 1972 | Director of AXA MPS Assicurazioni Danni S.p.A.<br>Director of AXA MPS Assicurazioni Vita S.p.A.<br>Director of Fondo Interbancario per la tutela dei depositi<br>Member of the management board of Schema Volontario Fondo Interbancario Tutela dei Depositi |
| 11. | Riccardo Quagliana | Group General Counsel | Milan, 4 February 1971 | // |
| 12. | Roberto Regoli | Head of the AML Division | Siena, 18 May 1969 | // |
| 13. | Emanuele Scarnati | Chief Commercial Officer Large Corporate & Investment Banking | Jesi (AN), 11 August 1965 | // |
| 14. | Marco Tiezzi | Chief Commercial Officer Retail | Foiano della Chiana (AR), 29 June 1962 | Deputy Chairperson of Widiba S.p.A.<br>Chairperson of Magazzini Generali Fiduciari |

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| | | | | Mantova S.p.A.<br><br>Deputy Chairperson of Fondazione BAM |
| 15. | Lorenzo Boetti | Chief Risk Officer | Siena, 25 March 1974 | // |

**Board Of Statutory Auditors**

The Ordinary Shareholders' Meeting of the Bank held on 15 April 2026 appointed the members to the Board of Statutory Auditors listed in the table below for financial years 2026, 2027 and 2028, with term of office expiring on the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2028.

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| 1. | Pierluigi Pace | Chairperson | Rome, 14 November 1962 | Chairman of the Board of Statutory Auditors of ENEL S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Tecnopolo S.p.A.<br><br>Chairman of the Board of Statutory Auditors of Toit Group S.p.A.<br><br>Statutory Auditor of Arno Travel S.r.l.<br><br>Statutory Auditor of Towns of Italy S.r.l. |
| 2. | Lavinia Linguanti | Standing Auditor | Siena, 19 January 1987 | Standing Auditor of the Board of Statutory Auditors of Monte Paschi Fiduciaria S.p.A.<br><br>Standing Auditor of the Board of Statutory Auditors of Mediobanca Banca di Credito Finanziario S.p.A. |

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| | | | | Standing Auditor of the Board of Statutory Auditors of AXA MPS Assicurazioni Vita S.p.A.<br><br>Standing Auditor of the Board of Statutory Auditors of AXA MPS Assicurazioni Danni S.p.A.<br><br>Standing Auditor of the Board of Statutory Auditors of AXA Italia Servizi S.c.p.a.<br><br>Sole Auditor of Tuscany RF S.r.l. |
| 3. | Monica Vecchiati | Standing Auditor | Palazzolo sull'Oglio (BS), 28 May 1961 | Chairman of the Board of Statutory Auditors of ABAB S.p.A. (ACEA S.p.A.Group);<br><br>Statutory Auditor of A.Quantum S.p.A. (ACEA S.p.A.Group);<br><br>Statutory Auditor of A.S. Recycling S.r.l. (ACEA S.p.A.Group);<br><br>Statutory Auditor of Arca Fondi Sgr S.p.A.;<br><br>Statutory Auditor of Valoritalia |
| 4. | Francesca Sandrolini | Alternate Auditor | Bologna, 13 March 1967 | Statutory Auditor of GVS S.p.A.;<br><br>Statutory Auditor of Società Investimenti di M. Marchesini e C. S.a.p.a.;<br><br>Statutory Auditor of Marchesini Group S.p.A.;<br><br>Statutory Auditor of BNP Paribas BNL Equity Investments S.p.A.;<br><br>Statutory Auditor with |

| | Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|---|
| | | | | statutory audit of Schmucker S.r.l.;<br><br>Statutory Auditor of Proteo Engineering S.r.l.;<br><br>Sole Auditor of Omac S.r.l. |
| 5. | Alberto Sodini | Alternate Auditor | Rome, 12 February 1966 | Chairman of the Board of Statutory Auditors of Forvalue S.p.A.<br><br>Statutory Auditor of Monnalisa S.p.A.<br><br>Statutory Auditor of Techno Holding S.p.A.<br><br>Statutory Auditor and member of the Supervisory Board of Tinexta Visura S.p.A.<br><br>Statutory Auditor and member of the Supervisory Board of Tinexta Defence S.p.A.Società Benefit<br><br>Statutory Auditor of Tinexta Defence Holding S.r.l.<br><br>Statutory Auditor of Next Ingegneria dei Sistemi S.p.A.<br><br>Statutory Auditor (sole auditor) of FO.RA.MIL S.r.l.<br><br>Statutory Auditor (sole auditor) of Tinexta Futuro Digitale S.c.r.l.<br><br>Statutory Auditor of IC Outsourcing S.c.r.l.<br><br>Statutory Auditor of Sixtema S.p.A.<br><br>Statutory Auditor of Lextel |

| Name | Position | Place and date of birth | Main activities outside the Bank, deemed significant |
|---|---|---|---|
| | | | AI S.p.A.<br><br>Statutory Auditor of Enfea Salute Fondo Sanitario Integrativo PMI<br><br>Member of the Board of Directors of Unifond S.p.A., the UNICOOP Mutual Fund;<br><br>Member of the Board of Directors of HFC S.r.l. |

The Board of Statutory Auditors is required to verify that the Bank complies with applicable law and its By-Laws, respects the principles of correct administration, and maintains an adequate organisational structure, internal controls and administrative and accounting systems, and it also oversees compliance with the provisions established by the legal framework concerning corporate sustainability reporting. The Board of Statutory Auditors has a duty to shareholders, to whom the Board of Statutory Auditors reports at the annual Ordinary Shareholders' meeting approving the financial statements.

Members of the Board of Directors and of the Board of Statutory Auditors as well as managers with strategic responsibilities are domiciled for the purposes of their offices at the registered office of Banca Monte dei Paschi di Siena S.p.A., in Siena, Piazza Salimbeni 3, Italy.

For further information please refer to the Bank's website at www.gruppomps.it/en (section Corporate Governance).

*Independent Auditors*

Pursuant to article 28 of the Bank's By-Laws, on 11 April 2019 the Ordinary Shareholders' meeting appointed the audit firm PricewaterhouseCoopers S.p.A. as independent auditors for the statutory audit of the accounts 2020-2028. The statutory audit shall be performed by an independent auditor meeting the requirements established by law.

**Conflict of Interest**

BMPS is an Italian bank with shares listed on regulated markets and, as such, deals with any conflicts of interest of the members of its administrative, management and supervisory bodies in accordance with the requirements of article 2391 ("*Directors' interests*") and article 2391-bis of the Italian Civil Code ("*Related party transactions*"), article 53, paragraph 4 ("*Regulatory supervision*") and article 136 ("*Obligations of bank corporate officers*") of the Italian Consolidated Banking Act and the regulatory provisions on related party transactions adopted by CONSOB with Resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented ("*Regulation on Related Party transactions*") and by the Bank of Italy with Bank of Italy Regulations (Chapter 11, Part three on "*Risk activities and conflicts of interest with respect to affiliated parties*"), as subsequently amended and supplemented, article 88 of CRD IV (*loans to members of the management body and their related parties*), in addition to the provisions of BMPS' By-Laws on those matters (articles 15, 17, 19 and 25).

In this regulatory framework and in line with the principles defined in section 12 of the EBA guidelines on internal governance (EBA/GL/2021/05) and the EBA-ESMA guidelines on the assessment of the

suitability of the members of the management body and staff that play key roles (EBA/GL/2021/06), the Bank's Board of Directors has over time approved specific internal directives and policies, including the Group Directive on personnel conflicts of interest, in order to evaluate, manage and mitigate or prevent actual or potential conflicts of interest between the interests of the Issuer and the private interests of staff (including members of the administrative, management and supervisory bodies).

The Bank's internal regulations define – on the basis of the applicable legislation – principles, responsibilities, procedures and decision-making, information duties, as well as safeguards for the related risks, in particular with regard to persons or entities close to the Bank's decision-making centres. The Issuer's website (www.gruppomps.it) makes available provisions and procedures which define the principles and responsibilities for the management of the prescriptive obligations regarding related parties and affiliated parties and obligations of bank representatives.

Without prejudice for what set forth below, to the best of BMPS's knowledge and belief, as at the date of this Base Prospectus there are no conflicts involving the members of its administrative, management and supervisory bodies between their obligations towards the Bank and their private interests and/or their obligations towards third parties, other than those occurring within the context of specific resolutions adopted by BMPS in accordance with the aforementioned legislation and BMPS' By-Laws. Within the management of the Board of Directors' work, BMPS could adopt some additional governance safeguards in order to prevent any conflict of interest related to directors, if requested by ECB.

Article 19 of BMPS' By-Laws, in addition to compliance with the provisions of article 136 of the Italian Consolidated Banking Act, obliges the members of the Board of Directors to inform the Board of Directors and the Board of Statutory Auditors of any deal in which they are personally interested or which regards entities or companies of which they are directors, auditors or employees (unless in the case of Group companies) and to abstain from resolutions in which they have an interest in conflict, on their own behalf or on behalf of third parties. The main transactions concluded with related parties are described in the 2024 Consolidated Financial Statements and the 2025 Consolidated Financial Statements published and available on the Bank's website www.gruppomps.it/en.

**Main Shareholders**

According to the communications received by the Bank pursuant to applicable legislation (Article 120 of the Financial Services Act), the entities that as at 19 May 2026, directly and/or indirectly hold ordinary shares accounting for more than 3% of the voting rights in the Issuer's share capital and that do not fall under the cases of exemption provided for by Article 119-bis of the CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, are as follows:

| **Shareholders** | **% share capital in voting rights on overall share capital** |
|---|---|
| *Delfin S.à r.l.* | **17.533%** |
| Francesco Gaetano Caltagirone (*) | **10.262%** |
| Italian Ministry of Economy and Finance (MEF) | **4.863%** |
| BlackRock Inc. (**) | **4.665%** |
| Banco BPM S.p.A. (***) | **3.741%** |

*(*) Declarant or party at the top of the investment chain: shareholdings held through no. 24 companies. According to communications made by authorized intermediary to the Issuer for the exercise of voting rights at BMPS Shareholders' Meeting held on 15 April 2026, the shareholdings held through the 24 companies had increased to 13.494%.*
*(**) Shareholdings and voting rights held through no. 15 companies belonging to BlackRock Group as communicated with Form 120/B on 30 April 2026. The stake held by the BlackRock Group is represented by voting rights relating to shares (4.665% of the share capital) and by potential investment and other long positions with physical settlement and settlement in cash (0.302% of the share capital).*
*(***) Declarant or party at the top of the investment chain: shareholdings held also through Anima Holding S.p.A. and Banco BPM Vita S.p.A..*

Updated information relating to public disclosure of major shareholdings of the Issuer pursuant to Article 120 of the Financial Services Act, are published on CONSOB's website www.consob.it in the relevant dedicated section[13] and on Issuer's website www.gruppomps.it in the relevant section https://www.gruppomps.it/en/corporate-governance/shareholding-structure.html.

[13] The percentages shown are taken from shareholders notifications pursuant to article 120 of the Consolidated Law on Finance, based on the thresholds set forth by article 117 of CONSOB Regulation on Issuers adopted by CONSOB Regulation no. 11971 of 14 May 1999, as amended from time to time, (3%, if the listed company is not a SME (Small and Medium Enterprise), 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66.6̄% and 90%). Therefore, in the case of intra-threshold changes in the shareholdings which don't give rise to new disclosure obligations on the part of the shareholder, the percentage of shareholdings published could be different from the effective number of shares held by the main shareholders above indicated.

## REGULATORY ASPECTS

### 1. Deferred tax assets

Within the context of the legislative framework relating to DTAs, Law of 22 December 2011, no. 214 ("**Law 214/2011**") provided for the conversion into tax credits of DTAs referred to write-downs and credit losses, as well as those relating to the value of goodwill and other intangible assets (so-called DTAs eligible for conversion) in case the company records a loss for the period in its individual financial statement. The conversion into tax credit operates in regard to DTAs recorded in the financial statement in which the loss is recognised and for a fraction thereof equal to the ratio between the loss amount and the company's equity.

Law 214/2011 further provided for the conversion of DTAs also in the presence of a tax loss, on an individual basis; in such case, the conversion operates for the DTAs recognised in the financial statement versus the tax loss for the portion of the same loss generated by the deduction of the above illustrated negative income components (write-downs and credit losses, goodwill and other intangible assets).

In such legislative framework, accordingly, the recovery of DTAs eligible for conversion seems guaranteed for the Bank also in case the latter does not generate adequate future taxable income capable of ordinarily absorbing the deductions that correspond with the DTAs recorded. The tax regime introduced by Law 214/2011, as stated by the Bank of Italy/CONSOB/ISVAP (now IVASS) within the document "Accounting treatment of deferred taxes deriving from Law 214/2011" no. 5 of 15 May 2012, in granting "certainty" to the recovery of DTAs eligible for conversion, impacts in particular on the recoverability test laid down by the accounting standard IAS 12, basically makes it automatically satisfied. Even the regulatory legislation provides for a more favourable treatment for DTAs eligible for conversion compared to the other types of DTAs since the former, for the purpose of the capital adequacy requirements the Group shall comply with, are not deducted from CET1 Capital and are included among RWA with a 100 per cent. weighting.

In relation to DTAs eligible for conversion pursuant to Law 214/2011, article 11 of Law Decree No. 59/2016 subjected the possibility to continue to apply the above described regime in the matter of conversion into tax credits of advanced tax assets to the exercise of a specific irrevocable option and the payment of an annual fee ("**DTA fee**") to be paid with reference to each of the financial years starting from 2015 and subsequently, if annual requirements are met, until 2029. As clarified in the press release of the Council of Ministers on 29 April 2016, such provision were necessary to overcome the doubts raised by the European Commission on the existence of "State aid" components in the legislative framework relating to deferred tax assets then in force.

In more detail, the fee for a specific financial year is determined by applying the 1.5 per cent. rate to a "base" obtained by adding the difference between DTAs eligible for conversion that are recorded in the financial statement of such financial year and the corresponding DTAs recorded in the 2007 financial statement, the overall amount of conversions into tax credits operated until the relevant financial year, net of taxes, identified in the Decree, paid with respect to the specific tax periods established in the same Decree. Such fee is deductible for the purpose of income taxes.

The Bank exercised the aforementioned option by paying the fee, within the given deadline of 31 July 2016, for the amount of Euro 70.4 million, due by 2015. Further, article 26-*bis* of Decree 237 amended article 11 of Law Decree 59/2016, substantially moving the DTA fee's reference period from 2015-2029 to 2016-2030. Consequently, the fee already paid by 31 July 2016 in relation to 2015 is deemed deferred to 2016 and the amount remained unchanged; as a consequence of the exercise of the option, the Bank also proceeded with the payment of the annual fee due for the years from 2017 to 2024 for the total amount of Euro 533.7 million.

In relation to the expected evolution of the amount of DTAs eligible for conversion, please note that as a consequence of the rules introduced by Law Decree No. 83/2015 (converted by Law 6 August 2015 no. 132), such amount may no longer be increased in the future and, in accordance with current legislation, the residual stock will be recovered in the next financial years up to 2029.

Although the carry-forward of tax losses is not subject to any time limit according to current tax regulation, the regulatory provision provide for a more penalizing treatment of the related DTAs than for other DTAs that may not be converted into tax credits pursuant to Law no. 214/2011, since the first are fully deducted from CET1 Capital, while the seconds are deducted only for the amount exceeding the regulatory CET1 thresholds and the amount not deducted are included among RWA with 250 per cent. weighting.

## 2. Regulations and Supervision of the ECB, Bank Of Italy, CONSOB and IVASS

The Group is subject to complex regulations and, in particular, to the supervision of the Bank of Italy, CONSOB and, in relation to a number of aspects of the bancassurance business, the *Istituto per la Vigilanza sulle Assicurazioni* ("**IVASS**"). As from 4 November 2014, the Group is also subject to the supervision of the ECB, which is entrusted under the SSM (as defined below), *inter alia*, to ensure the homogeneous application of Eurozone legislative provisions.

In particular, the Group is subject to both a primary and secondary legislation framework applicable to companies with financial instruments listed on regulated markets. The legislation is applicable in regard to banking and financial services (governing, *inter alia*, sale and placement activities of financial instruments and the marketing thereof), as well as for the regulatory regime of countries, including those other than the Republic of Italy, in which the Group is active. The supervision activities carried out by the aforementioned authorities cover various business sectors and may concern, *inter alia*, liquidity, capital adequacy and financial leverage levels, the prevention and combating of money laundering, privacy protection, transparency and fairness in the relations with clients, and reporting and recording obligations.

For the purpose of operating in accordance with such legislations, the Group put in place specific internal procedures and policies and has adopted, pursuant to Legislative Decree No. 231/2001, as amended from time to time, and relevant Bank of Italy implementing regulations, a complex and constantly monitored organisational model. Such procedures and policies mitigate the possibility of the Bank to incur any breach of the various applicable legislations, which may cause negative impacts on the business, reputation as well as on the capital, economic and/or financial condition of the Bank and/or of the Group.

In general, the international and national legislative structure to which the Group is subject has the main purpose of safeguarding the stability and soundness of the banking system, through the adoption of a very complex regime, aimed at containing risk factors. To achieve these goals, the regime provides for, *inter alia*:

(A) a minimum capital holding, adequate to deal with the company's size and the associated risks;

(B) quantitative and qualitative limits on the ability to develop certain financial aggregate data, depending on the risks associated therewith (e.g. credit, liquidity);

(C) strict rules on the structure of controls and a compliance system; and

(D) rules on corporate governance.

### Basel III and the CRD IV Package

In the wake of the global financial crisis that began in 2008, the Basel Committee on banking supervision ("**BCBS**") approved, in the fourth quarter of 2010, revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, which impose requirements for, *inter alia*, higher

and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards.

In January 2013 the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio (the "**LCR**") with a full implementation in 2019 as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the net stable funding ratio, the BCBS published the final rules in October 2014 which were to be effective from 1 January 2018.

A binding detailed net stable funding ratio was proposed as part of the Capital Requirements Directive reforms published in June 2019 and applicable from June 2021, as better detailed below.

The Basel III framework has been implemented in the European Union ("**EU**") through new banking requirements: Directive 2013/36/EU (the "**CRD IV**") of the European Parliament and the European Council on 26 June 2013 which relates to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, and Regulation (EU) No 575/2013 (the "**CRR**" and together with the CRD IV, the "**CRD IV Package**") of the European Parliament and the European Council on 26 June 2013 which relates to prudential requirements for credit institution and investment firms, subsequently updated with the Directive (EU) 2019/878 (the "**CRD V**") and Regulation (EU) 2019/876 (the "**CRR II**" and, together with the CRD V, the "**EU Banking Reform Package**") and, recently, by the CRD VI and CRR III (both as defined below).

National options and discretions under the CRD IV Package that were previously only exercised by national competent authorities, are now exercised by the Single Supervisory Mechanism ("**SSM**") (as defined below) in a largely harmonised manner throughout the European banking union. In this respect, on 14 March 2016, the ECB adopted Regulation (EU) No. 2016/445 on the exercise of options and discretions, as subsequently amended. Depending on the manner in which these options/discretions had beenexercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result.

Moreover, the Bank of Italy published supervisory regulations on banks in Circular No. 285 on 17 December 2013 ("**Circular No. 285**") which came into force on 1 January 2014, implementing the CRD IV Package and then the CRD V Package, and setting out additional local prudential rules. Circular No. 285 has been constantly updated after its first issue, the last updates being the 51st update published on 3 February 2026. The CRD IV Package has also been supplemented in the Republic of Italy by technical standards and guidelines finalized by the European supervisory authorities, mainly EBA and the European Securities and Markets Authority, and delegated regulations of the European Commission and guidelines of the EBA which can be either of direct application under Italian law or built into the Bank of Italy's supervisory expectations.

According to Article 92 of the CRR, as amended by the CRR II, institutions shall at all times satisfy the following own fund requirements: (i) a CET1 Capital ratio of 4.5 per cent. of the total risk exposure amount; (ii) a Tier 1 Capital ratio of 6 per cent. of the total risk exposure amount; (iii) a Total Capital ratio of 8 per cent. of the total risk exposure amount, and (iv) a Leverage Ratio of 3%. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital, reported below:

- *Capital conservation buffer*: set at 2.5 per cent. from 1 January 2019 (pursuant to article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285 as amended);
- *Counter-cyclical capital buffer*: calculated on a quarterly basis depending on the geographic distribution of the relevant credit exposures of the institution and on the decisions of each competent national authorities setting the specific rates applicable in the home Member State, other Member States or third countries (pursuant to article 130 of the CRD IV and Part I,

Title II, Chapter I, Section III of Circular No. 285). The Bank of Italy has set, and decided to maintain, the countercyclical capital buffer rate (relating to exposures towards Italian counterparties) at 0 per cent. for the second quarter of 2026;

- *Capital buffers for global systemically important banks* ("**G-SIBs**"): represents an additional loss absorbency buffer varying depending on the sub-categories on which the global systematically important institutions are divided into. The lowest sub-category shall be assigned a G-SII buffer of 1.0 per cent of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR and the buffer assigned to each sub-category shall increase in gradients of at least 0.5 per cent of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR. G-SIIs are determined according to specific indicators (e.g. size, interconnectedness, complexity) and, being phased in from 1 January 2016, became fully effective on 1 January 2019 (pursuant to article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285) 9. Based on the most recently updated list of G-SIIs published by the FSB (as defined below) on 27 November 2025 (to be updated annually), the Group is not a G-SII and does not need to comply with a G-SII capital buffer requirement; and
- *Capital buffers for other systemically important banks* ("**O-SIIs**"): up to 3.0 per cent as set by the relevant competent authority (reviewed at least annually), to compensate for the higher risk that such banks represent to the domestic financial system (article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285). As of communication published by the Bank of Italy on 26 February 2026 the Issuer is classified as O-SIIs and shall be required to maintain a buffer equal to the 0.50 per cent. of its total risk-weighted exposures.

In addition to the above listed capital buffers, under Article 133 of the CRD IV, as amended by CRD V, each Member State may introduce a systemic risk buffer (SyRB) in order to prevent and mitigate long-term non-cyclical systemic or macro prudential risks not otherwise covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State.

On 22 February 2022 Bank of Italy issued the 38th amendment to Circular No. 285 introducing the possibility for the Bank of Italy to impose a systematic risk buffer (SyRB), pursuant to Article 133 of the CRD V, consisting of CET1, with the aim of preventing and mitigating macro-prudential or systemic risks not otherwise covered by the macro-prudential tools provided by the CRR, the countercyclical capital buffer and the capital buffers for G-SIIs or O-SIIs.

The amendment adapts the rules concerning capital buffers and capital conservation measures with CRD V and implement the EBA's guidance on the appropriate subsets of sectoral exposures for the application of the SyRB in accordance with Article 133(5)(f) of CRD V.

In addition to the above, the 38th amendment also granted the power to the Bank of Italy of adopting one or more prudential measures based on customer and loan characteristics (so-called borrower-based measures), requiring banks to apply them when granting new financing in any form.

On 26 April 2024, the Bank of Italy decided to apply a SyRB of 1.0 per cent of exposures towards Italian residents weighted for credit and counterparty credit risk. The SyRB applies to all banks authorised in Italy. The SyRB is to be applied at the individual and consolidated level. On 20 February 2026, the Bank of Italy launched a public consultation on the review of the Systemic Risk Buffer, aimed at confirming the current 1.0% buffer level. The consultation process, has closed on 6 March 2026.

Failure by an institution to comply with the buffer requirements described above may trigger restrictions on distributions and the need for the bank to adopt a capital conservation plan and/or take remedial actions (articles 141 and 142 of the CRD IV).

In addition, the Bank is subject to the Pillar II requirements for banks imposed under the CRD IV Package, which are potentially impacted, on an on-going basis, by further requirements provided by the supervisory authorities under the SREP. In particular, the SREP process is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP process is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system. For more information in this respect reference is made to paragraph "*The Single Supervisory Mechanism*" below.

The quantum of any Pillar II requirement imposed on a bank and the type of capital which a bank is required to apply in order to meet such capital requirements may all impact a bank's ability to comply with the combined buffer requirement.

With reference to the "stacking order" of own funds requirements, as clarified in the "Opinion of the European Banking Authority on the interaction of Pillar I, Pillar II and combined buffer requirements and restrictions on distributions" published on 16 December 2015, competent authorities should ensure that the Common Equity Tier 1 Capital to be taken into account in determining the Common Equity Tier 1 Capital available to meet the combined buffer requirement is limited to the amount not used to meet the Pillar I and Pillar II own funds requirements of the institution. In effect, this would mean that Pillar II capital requirements would be "stacked" below the capital buffers, and thus a firm's CET1 resources would only be applied to meet capital buffer requirements after Pillar I and Pillar II capital requirements have been met in full.

Furthermore, in its publication of the 2016 EU-wide stress test results on 29 July 2016, the EBA has recognised a distinction between "Pillar II requirements" (stacked below the capital buffers) and "Pillar II capital guidance" (stacked above the capital buffers). With regard to Pillar II capital guidance, the publication stated that, in response to the stress test results, competent authorities may (among other things) consider "setting capital guidance, above the combined buffer requirement". Competent authorities have remedial tools if an institution refuses to follow such guidance. The ECB published a set of "Frequently asked questions on the 2016 EU-wide stress test", confirming this distinction between Pillar II requirements and Pillar II capital guidance and noting that "Under the stacking order, banks facing losses will first fail to fulfil their Pillar II capital guidance. In case of further losses, they would next breach the combined buffers, then Pillar II requirements, and finally Pillar I requirements".

This distinction between "Pillar II requirements" and "Pillar II capital guidance" has been introduced in the EU by the CRD V. Whereas the former are mandatory requirements imposed by supervisors to address risks not covered or not sufficiently covered by Pillar I and buffer capital requirements, the latter refers to the possibility for competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of its capital requirements (Pillar I and Pillar II) and combined buffer requirements in order to cope with forward-looking and remote situations. Under the EU Banking Reform Package, and as described above, only Pillar II requirements, and not Pillar II capital guidance, will be relevant in determining whether an institution is meeting its combined buffer requirement.

Non-compliance with Pillar II capital guidance does not amount to failure to comply with capital requirements, but should be considered as a "pre-alarm warning" to be used in a bank's risk management process. If capital levels go below Pillar II capital guidance, the relevant supervisory authorities, which should be promptly informed in detail by the bank of the reasons of the failure to comply with the Pillar II capital guidance, will take into consideration appropriate and proportional measures on a case by case basis (including, by way of example, the possibility of implementing a

plan aimed at restoring compliance with the capital requirements – including capital strengthening requirements).

With update No. 39th of 13 July 2022, Circular No. 285 was amended in order to align its provisions with Articles 104 to 104c of the CRD IV, as amended by CRD V. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular No. 285 provide for, *inter alia*, the introduction of:

(i) a clear differentiation between the components of Pillar 2 Requirements ("P2R") estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and

(ii) the possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

The CRD IV Package also introduced a LCR. This is a stress liquidity measure based on modelled 30-day outflows. The LCR was implemented in 1 October 2015, although it was phased-in and became fully applicable from 1 January 2018 and set at 100 per cent.. The Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing the CRR in regard to the liquidity coverage requirement for credit institutions (the "**LCR Delegated Act**") was adopted in October 2014 and published in the Official Journal of the European Union in January 2015.

On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) and applied as of July 2022. Most of these amendments were introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30-calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council. Legislative Decree No. 116 of 30 July 2024 implemented Directive (EU) 2021/2167 under the Italian framework. The Net Stable Funding Ratio ("**NSFR**") is part of the Basel III framework and aims to promote resilience over a longer time horizon (1 year) by creating incentives for banks to fund their activities with more stable sources of funding on an on-going basis. The NSFR has been introduced as a requirement in the CRR II published in June 2019 and applies from June 2021.

Furthermore, the Bank is bound to comply with the general limit on the investment in equity interests and real estate properties, to be contained within the amount of own funds at consolidated level, and the regulatory limits in the matter of holding of qualifying equity interests in non-financial enterprises and large exposures. The Bank is also subject to the regulatory limits provided for by the national legislation in the matter of transactions with related parties as per the "New Prudential Supervision Provisions" for banks as well as the specific obligations set forth by the regulation issued by CONSOB.

With regard to the calculation modalities of regulatory requirements, in order to determine weightings in the context of the credit risk standardised approach, the first pillar prudential regime allows for the possibility to use the creditworthiness assessments issued by external credit assessment institutions ("**ECAI**"). BMPS uses the assessments provided by certain ECAIs and, in particular, those issued by S&P Global Ratings Europe Limited, Moody's Investor Services and Fitch Ratings. In addition, in relation to credit risk, the prudential regime further allows for the possibility to use internal rating-based assessments for the determination of weightings on exposures falling within the validated perimeters.

*The EU Banking Reform Package*

The EU Banking Reform Package amends many existing provisions set out in the CRD IV Package, the Directive 2014/59/EU of the European Parliament and the Council establishing a framework for the

recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive, "**BRRD**", as amended by Directive 879/2019/EU, "**BRRD II**") and the SRM Regulation (as defined below).

Specifically, the new EU regulatory framework introduced by the CRR II includes:

- revisions to the standardised approach for counterparty credit risk;
- revisions to the prudential treatment of exposures in the form of units or shares in collective investment undertakings, envisaging the application of a risk weight of 1250% (fall-back approach) in the event that the bank is unable to apply the look-through approach or the mandate-based approach;
- introduction from September 2021 of a new reporting requirement on market risk according to Alternative Standardised Approach pending implementation in the EU of the latest changes to the Fundamental Review of the Trading Book ("FRTB") published in January 2019 by the BCBS and then the application of own funds requirements;
- a binding leverage ratio (and related improved disclosure requirements) introduced as a backstop to risk-weighted capital requirements and set at 3 per cent. of an institution's Tier 1 capital;
- a binding NSFR which requires credit institutions and systematic investment firms to finance their long-term activities (asset and off-balance sheet items) with stable sources of funding (liabilities) in order to increase banks resilience to funding constraints. This means that the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR will be expressed as a percentage and set at a minimum level of 100 per cent., indicating that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR applies at a level of 100 per cent. at individual and a consolidated level starting from 28 June 2021, unless competent authorities waive the application of the NSFR on an individual basis;
- changes to the large exposure limits, now calculated as the 25% of Tier 1, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403 of CRR;
- the exemption from deductions of prudently valued software assets from CET 1;
- improvement own funds calculation adjustments for exposures to SME and infrastructure projects.

In addition, the CRD V reviews, among other things, the Pillar 2 regulatory framework for capital buffers. It officially introduces the distinction between Pillar 2 requirements and Pillar 2 capital guidance, also specifying the nature of the equity instruments with which banks must satisfy the Pillar 2 requirement.

In Italy, the Government approved the Legislative Decree No. 182 of 8 November 2021 ("**182 Decree**") implementing the CRD V and amending the Italian Banking Act. 182 Decree entered into force on 30 November 2021. 182 Decree impacts, *inter alia*, on:

- proposed acquirers of holdings in credit institutions, requirements for shareholders and members of the management body (Articles 22, 23 and 91 of the CRD V Directive);
- competent authorities' powers to impose additional own fund requirements (Articles 104 and 104a of the CRD V Directive);

- authorisation regime applicable to financial holding companies and mixed financial holding companies (Article 21a of the CRD V Directive); and

- regime governing the banking groups and introduction of the status of "intermediate EU parent" (Article 21c of the CRD V Directive).

The amendment adapts the rules concerning capital buffers and capital conservation measures with CRD V and implement the EBA's guidance on the appropriate subsets of sectoral exposures for the application of the SyRB in accordance with Article 133(5)(f) of CRD V.

As described above, on 26 April 2024, the Bank of Italy decided to apply a SyRB of 1.0 per cent of exposures towards Italian residents weighted for credit and counterparty credit risk. The SyRB applies to all banks authorized in Italy.

In addition to the above, the 38th amendment also granted the power to the Bank of Italy of adopting one or more prudential measures based on customer and loan characteristics (so-called borrower-based measures), requiring banks to apply them when granting new financing in any form.

Those measures can be applied to all loans or differentiated on the basis of the characteristics of customers and loans. More specifically, in the presence of high vulnerabilities of the financial system, which may give rise to systemic risks, the Bank of Italy may adopt one or more borrower-based measures that are – in line with the ESRB guidelines – appropriate and sufficient to prevent or mitigate the identified risks, considering, if possible, also any cross-border effect arising from their application and paying due attention to the principle of proportionality.

The amendments seek to implement some of the remaining aspects of Basel III and reforms which reflect EC findings on the impact of CRD IV on bank financing of the EU economy. Certain of the changes such as new market risk rules, standardized approach to counterparty risk, details on the leverage ratio and net stable funding requirements and the tightening of the large exposures limit will particularly impact capital requirements. The amendments also seek to require financial holding companies in the European Union to become authorized and subject to direct supervision under CRD IV. This will place formal direct responsibility on holding companies for compliance with consolidated prudential requirements for financial groups. The amendments also require third-country groups above a certain threshold with two or more credit institutions or investment firms in the European Union to establish an intermediate EU holding company. The minimum requirement for own funds and eligible liabilities provisions in the CRR are also amended to bring the requirement in line with the Financial Stability Board's final total loss absorbing capacity term sheet standards for globally significant institutions.

The final capital framework to be established in the European Union under CRD V / CRR II differs from Basel III in certain areas. In December 2017, the Basel Committee finalized further changes to the Basel III framework which include amendments to the standardized approaches to credit risk and operational risk and the introduction of a capital floor. In January 2019, the Basel Committee published revised final standards on minimum capital requirements for market risk. These proposals will need to be transposed into EU law before coming into force. The Basel Committee has recommended implementation commencing in 2022, however timing of implementation in the European Union is uncertain.

On 27 October 2021, the European Commission published a legislative proposal to amend CRD V and the CRR II (the "**2021 Reform Package**"). In particular, the 2021 Reform Package legislative initiative aims at implementing in the EU the Basel IV (as defined below) and further elements not included in such international framework contributing to financial stability and to the steady financing of the economy in the context of the post-COVID 19 crisis recovery.

Directive (EU) 1619/2024 of the European Parliament and Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks ("**CRD VI**") and Regulation (EU) 1623/2024 of the European Parliament and Council of 31 May 2024 amending Regulation (EU) 2013/575 as regards requirements for credit risks, credit valuation, adjustment risk, operational risk and the output floor ("**CRR III**") entered into force on 9 July 2024. CRR III have applied from 1 January 2025, while member states were required to implement, by January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI, and shall apply those measures from 11 January 2026 (with some exceptions). On 8 January 2026, Legislative Decree no. 208 of 31 December 2025 was published in the Official Gazette, transposing the CRD VI into the Italian regulatory framework and aligning the Italian legislation to the provisions of the CRR III by amending the Italian Consolidated Banking Act and Legislative Decree No. 58 of 24 February 1998. On 31 October 2024, the Delegated Regulation (EU) 2024/2795 amending the CRR in relation to the market risk requirement was published in the Official Journal of the European Union and postponed the date of application of the *Fundamental Review of the Trading Book* ("**FRTB**") to 1 January 2026. Pending the application of the FRTB, the current market risk requirements, including the calculation of own funds requirements for market risk, market risk reporting and disclosure requirements, remain applicable.

The European Commission has launched a consultation to help determine the best approach for the application of the EU's framework on market risk prudential requirements for banks and, as a result, adopted on 12 June 2025 Delegated Regulation (EU) 2025/1496, published in the Official Journal of the European Union on 19 September 2025, which postpones by one additional year - until 1 January 2027 - the date of application of the Fundamental Review of the Trading Book.

On 27 August 2025, the Bank of Italy issued the 50th amendment to the Bank of Italy Regulations, implementing the CRR III into the Italian regulatory framework and containing guidance regarding the exercise of national discretions. Among other things, the Bank of Italy has implemented the discretion provided for in Article 465(5) of the CRR, which allows banks using IRB internal models to temporarily apply - subject to certain regulatory requirements - preferential risk weight factors in calculating the output floor for exposures secured by residential properties. Conversely, it has not exercised the discretion under Article 129(3) of the CRR regarding covered bonds and the criteria for valuing immovable property used as collateral for mortgage loans in the cover pool, pursuant to which competent authorities may allow immovable property to be valued at or at less than the market value, or, in those Member States that have laid down rigorous criteria for the assessment of the mortgage lending value in statutory or regulatory provisions, at the mortgage lending value of that property. As a consequence, full alignment will be maintained between the method for valuing immovable property for prudential purposes and that applicable to covered bonds, with the discontinuation of market value and the application of the new valuation criterion introduced by CRR III. Banks will be required to implement new valuation criteria also for the purposes of determining the cover pool. CRR III nevertheless provides for a transitional regime (Article 495-septies) that allows the current property valuation criteria to continue to be applied to the stock of mortgages outstanding as at 1 January 2025 until the first revaluation of the property (and in any event no later than 31 December 2027).

The main changes CRD VI and CRR III have introduced relate to:

(i) the introduction of the output floor to reduce the excess variability of banks' capital requirements calculated with internal models. Notably, the output floor works as a lower limit ("floor") on the capital requirements ("output") the banks calculate when using their internal models. The output floor aims at enhancing the confidence in risk-based capital requirements and to improve the solidity of banks that make use of internal models, making capital requirements more comparable across banks;

(ii) implementation of the Basel III agreement to strengthen Union banks' resilience face at the main risk areas (credit risk; market risk and operational risk);

(iii) Environmental, Social and Governance (ESG) risk. Under the newly introduced banking package, banks would need to draw up transition plans under the prudential framework that will need to be consistent with the sustainability commitments banks undertake under other pieces of Union laws, such as the Corporate Sustainability Reporting Directive. Competent authorities will oversee how banks handle ESG risks and include ESG considerations in the context of the annual supervisory examination review (i.e. SREP);

(iv) strengthened supervision. The supervisory powers and tools have been increased and further harmonized. Notably, supervisors will be given more powers to check if certain transactions (e.g. large acquisitions) undertaken by banks are sound and do not entail excessive risks for banks; and

(v) clear rules for third-country banks operating in the European Union. The CRD VI will introduce minimum harmonising conditions on the establishment of third-country banks in the EU.

The regulatory changes brought by CRD VI and CRR III have impacted and will impact the entire banking system and consequently could determine changes in the capital calculation and capital requirements, which as at the date of this Base Prospectus cannot be entirely quantified.

The EBA has been conducting regular and ad-hoc quantitative impact studies to assess or monitor the impact of various rules on the EU banking sector.

Regular monitoring exercise includes also a monitoring exercise to assess the impact of the Basel III framework on a sample of EU banks that the EBA conducts in coordination and in parallel with the BCBS ("**Basel III Monitoring Exercise**"). This exercise assesses the impact of the latest regulatory developments at BCBS level in the following area: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and (e) the post-crisis reforms.

The impact of the Basel III is assessed using mostly the following measures:

(i) percentage impact on minimum required Tier 1 capital (MRC);

(ii) impact, in basis point, on the current actual Tier 1 capital ratio; and

(iii) Tier 1 shortfall resulting from the full implementation of Basel III, namely the capital amount that banks need to fulfill the Basel III MCR.

According to the EBA Decision no. EBA/DC/2021/373, concerning information required for the monitoring of Basel supervisory standards published on 18 February 2021, as subsequently amended, ("**EBA Decision**"), the Basel III Monitoring Exercise became mandatory and is carried out on an annual basis, for a representative set of EU and EEA credit institutions identified by the relevant competent authorities.

On 7 October 2024, EBA published its third mandatory Basel III Monitoring Exercise Results based on data as of 31 December 2023 which assess the impact that Basel III full implementation will have on EU banks in 2033. According to this assessment, the full Basel III implementation would result in an average increase of 7.8% at the full implementation date in 2033 of the current Tier 1 minimum required capital. The main contribution factors are the output floor and the operational risks. Thus, to comply with the new framework, banks would need EUR 0.8 billion of additional Tier 1 capital.

On 4 May 2020, EBA published its final draft technical standards on specific reporting requirements for market risk, in accordance with the mandate set out in the provisions of the CRR II.

In particular, the implementing technical standards ("**ITS**") introduced uniform reporting templates, the template related instructions, the frequency and the dates of the reporting, the definitions and the IT solutions for the specific reporting for market risk. These ITS introduce the first elements of the Fundamental Review of the Trading Book (FRTB) into the EU prudential framework by means of a reporting requirement. Based on the ITS submitted by the EBA, the European Commission adopted the Implementing Regulation no. 2021/453/EU of 15 March 2021 which applied from 5 October 2021.

In order to mitigate the impact of COVID-19 on the European banking system, Regulation (EU) 2020/873 of the European Parliament and of the Council (the "**CRR Quick-fix**"), brought forward the application date of certain CRR II measures to 27 June 2020, including the SME supporting factor, the infrastructure supporting factor and the more favourable treatment of certain loans granted by credit institutions to pensioners or employees, and the application date of the new prudential treatment of software assets to the date on which the EBA's regulatory technical standards enter into force (Delegated Regulation (EU) 2020/2176 was published on 22 December 2020 and became effective from 23 December 2020).

In July 2020, the European Commission adopted a legislative package on capital markets recovery (the "**Capital Markets Recovery Package**") as part of its overall strategy to tackle the economic impacts of the COVID-19 pandemic. Under the Capital Markets Recovery Package targeted amendments to (i) the Prospectus Regulation and Directive 2004/109/EC (such amendments having been introduced by Regulation (EU) 2021/337), (ii) the MiFID II (such amendments having been introduced by Directive (EU) 2021/338) and (iii) the Securitisation Regulation (such amendments having been introduced by Regulation (EU) 2021/557), have been introduced in the EU legislative framework.

As a final note, on 9 January 2025, the EBA published its final Guidelines on the management of Environmental, Social and Governance (ESG) risk. The Guidelines set out requirements for institutions for the identification, measurement, management and monitoring of ESG risks, including through plans aimed at ensuring their resilience in the short, medium and long term.

For more details on the amendments to the Securitisation Regulation, please see paragraph "Law 130" under Section "Description of certain relevant legislation in Italy" below.

### The Single Supervisory Mechanism

In October 2013, the Council of the European Union adopted regulations establishing the SSM for all banks in the Eurozone, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the Eurozone states, direct supervisory responsibility over "banks of systemic importance" in the European banking union as well as their subsidiaries in a

participating non-Eurozone Member State. The SSM Regulation that sets out the practical arrangements for the SSM was published in April 2014 and entered into force in May 2014. Banks directly supervised by the ECB include, *inter alia*, any Eurozone bank that has: (i) assets greater than Euro 30 billion; (ii) assets constituting at least 20 per cent. of its home country's gross domestic product; or (iii) requested or received direct public financial assistance from the European Financial Stability Facility or the European Stability Mechanism.

The ECB is also exclusively responsible for key tasks concerning the prudential supervision of credit institutions, which include, *inter alia*, the power to: (i) authorise and withdraw the authorisation of all credit institutions in the Eurozone; (ii) assess acquisition and disposal of holdings in other banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB also has the right to impose pecuniary sanctions.

National competent authorities will continue to be responsible for carrying out supervisory tasks not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting the ECB in day-to-day supervision. In order to foster consistency and efficiency of supervisory practices across the EU, the EBA is developing a single rule book. The single rule book aims at providing a single set of harmonised prudential rules in which institutions throughout the EU must respect.

The Bank and the Group have been classified as a significant supervised entity and a significant supervised group, respectively, pursuant to the SSM Regulation and Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 and, as such, are subject to direct prudential supervision by the ECB.

The ECB is required under the SSM Regulation to carry out a SREP process at least on an annual basis. In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of the SREP.

On 18 March 2022, the EBA published revised "Guidelines for Common Procedures and Methodologies for the Supervisory Review and Evaluation Process (SREP) and Prudential Stress Tests", which provide a common framework for supervision in assessing risks to banks' business models, solvency and liquidity, as well as for conducting prudential stress tests. The EBA has developed the revised SREP Guidelines in order to implement the changes brought by CRD V and CRR II. In particular, the revision of the Guidelines, while keeping the original framework with the main SREP elements intact, reflects, among other things, the introduction of the assessment of the risk of excessive leverage and the revision of the methodology for the determination of the Pillar 2 Guidance. Additional relevant changes are related to the enhancement of the principle of proportionality and the encouragement of cooperation among prudential supervisory authorities and AML-CFT supervisors, as well as resolution authorities. The guidelines apply as of 1 January 2023.

According to the SSM Regulation, the national supervisory authorities remain in charge of carrying out those supervisory tasks which are not given to the ECB (such as, among the others, conducting the function of competent authorities over credit institutions in relation to markets in financial instruments). Therefore, the Bank is also subject to, *inter alia*, CONSOB supervision, given its activities carried out in relation to the sale, placement and marketing of financial instruments.

### Single Resolution Mechanism

In August 2014, Regulation (EU) 806/2014, as amended (the "**SRM Regulation**") establishing the single resolution mechanism (the "**SRM**") entered into force. The SRM became fully operational on 1 January

2016. Certain provisions, including those concerning the preparation of resolution plans and provisions relating to the cooperation of the Single Resolution Board ("**SRB**") with national resolution authorities, entered into force on 1 January 2015.

The SRM, which complements the SSM, applies to all banks supervised by the SSM. It mainly consists of the SRB and a Securitisation Regulation Framework ("**SRF**").

Decision-making is centralised with the SRB, and involves the European Commission and the European Council (which will have the possibility to object to the SRB's decisions) as well as the ECB and national resolution authorities.

The establishment of the SRM is designed to ensure that supervision and resolution is exercised at the same level for countries that share the supervision of banks within the ECB Single Supervisory Mechanism.

The SRM Regulation was subsequently updated by Regulation (EU) 2019/877 ("**SRM II Regulation**"), as part of the EU Banking Reform Package, published on 7 June 2019 and entered into force on 27 June 2019. In line with the changes to BRRD II (as defined below), the SRM II Regulation which applies from 28 December 2020 introduced several amendments such as changing the MREL for banks and G-SIBs, in order to measure it as a percentage of the total risk-exposure amount and of the leverage ratio exposure measure of the relevant institution. BRRD and SRM Regulation require institutions to meet MREL at all times, which has to be determined by the resolution authority in order to ensure the effectiveness of the bail-in tool and other resolution tools.

Lastly, the SRM Regulation was amended by the Daisy Chain Act (as defined below). As better detailed in the SRB Communication on the Daisy Chain Act, published on 30 September 2024, according to Article 12d(2a) of the SRM Regulation, as amended by Article 2 of the Daisy Chain Act:

(i) the SRB shall not determine the MREL for liquidation entities unless it considers justified to determine said requirement in an amount exceeding the amount sufficient to absorb losses. As per the definition laid down by the SRM Regulation, "liquidation entity" shall be read as referencing to an entity in respect of which the group resolution plan or, for an entity which is not part of a group, the resolution plan, provides that the entity is to be wound up under the normal insolvency proceedings, or an entity, within the resolution group other than a resolution entity, in respect of which the group resolution does not provide for the exercise of write-down and conversion powers; and

(ii) Article 77(2) and Article 78(a) of the CRR, setting forth the prior authorisation regime to reduce eligible liabilities instruments, shall not apply to liquidation entities for which the board of the SRB has not determined a MREL.

The above changes apply from 14 November 2024.

As a final note, it is worth noting that, as part of the CMDI Reform (as defined below), amendments to the SRM, have been recently approved by the European co-legislator. The main purpose of this legislative reform is to build on the objectives of the crisis management framework and to ensure a more consistent approach to resolution so that any bank in crisis can exit the market in an orderly manner, while preserving the financial stability, taxpayer money and ensuring deposit confidence.

### The BRRD and the revision of the BRRD framework

The BRRD completes the legislative framework applicable to banks, identifying the powers and tools which national authorities in charge of resolving banking crisis may adopt for the resolution of a bank's crisis or a collapse situation. This was for the purpose of guaranteeing continuity of the essential functions of the institution, reducing to a minimum the collapse impact on the economy and the financial system as well as on costs for taxpayers. On 9 July 2015, the enabling act for the implementation of the BRRD was approved, identifying, *inter alia*, the Bank of Italy, as national

resolution authority pursuant to article 3 of the BRRD. On 16 November 2015, contemporaneously with the publication in the Official Journal, Legislative Decrees no. 180 and 181 of 16 November entered into force and respectively implemented the BRRD and adapted the provisions of the Italian Consolidated Banking Act to the changed legislative framework.

With specific reference to the bail-in instrument, the BRRD has provided a minimum requirement for own funds and eligible liabilities ("**MREL**") in order to ensure that a bank, in case of an application of the bail-in tool, has sufficient liabilities to absorb losses and to assure compliance with the Common Equity Tier 1 requirement provided for the authorisation to exercise the banking business, as well as to generate confidence in the market. Regulatory technical standards specifying the criteria to determine the MREL requirements are set out in Delegated Regulation EU 2015/1450 which was published in the Official Journal of the European Union on 3 September 2016.

In April 2021, Implementing Regulation (EU) 2021/763 on disclosure reporting on MREL and TLAC has been published, providing for: (i) draft uniform disclosure formats for MREL and TLAC disclosure according – respectively – to Articles 45i(6) of the BRRD and 434a of the CRR; and (ii) draft uniform reporting templates, instructions and methodology for MREL and TLAC reporting according – respectively – to Articles 45i(5) of the BRRD and 430(7) of the CRR. Title I of Implementing Regulation (EU) 2021/763 shall apply from 28 June 2021, while Title II shall apply as of 1 June 2021 as regards the disclosures in accordance with Article 437a and point (h) of Article 447 of CRR, and as of the date of application of the disclosure requirements in accordance with the third subparagraph of Article 3(1) of Directive (EU) 2019/879, as regards the disclosures in accordance with Article 45i(3) of BRRD.

The BRRD II has been transposed in Italy by means of the European Delegation Law (Law No. 53/2021) of 22 April 2021, which has delegated the Italian government to adopt the implementing legislative decree. In this respect, on 30 November 2021, the Legislative Decree No. 193, of 8 November 2021, has been published in the Official Gazette of the Republic of Italy.

The BRRD also requires Member States to ensure that national insolvency laws contain a prescribed creditor hierarchy. The insolvency hierarchy directive (Directive (EU) 2017/2399), due to be transposed in Member States by 29 December 2018, amends this hierarchy by introducing a new asset class of non-preferred senior debt that can only be bailed-in in resolution after capital instruments but before senior liabilities. In the Republic of Italy, such directive has been implemented by the Italian Law No. 205/2017 which introduced article 12 *bis* into the Italian Consolidated Banking Act.

The Issuer as a bank - is subject to the BRRD, as implemented in the Italian legal framework.

In particular, the BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the "**BRRD Decrees**"), both of which were published in the Italian Official Gazette on 16 November 2015.

According to these provisions of law and in summary, in the event that the following conditions are met, the relevant bank shall be put under resolution: (i) the resolution Authority (in Italy, the Bank of Italy, acting in accordance with decisions taken by the EU resolution authority, the Single Resolution Board) has determined, after consultation with the competent authority and *vice versa*, as applicable, that the bank is failing or is likely to fail; (ii) there is no reasonable prospect that any alternative private sector measures would prevent the failure of the institution within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest (that is, it is necessary for the achievement of and is proportionate to one or more of the resolution objectives referred to in Article 31 of the BRRD and winding up of the bank under normal insolvency proceedings would not meet those resolution objectives to the same extent). In this context, an institution is considered as failing or likely to fail, alternatively, when: (a) it is, or is likely in the near future to be, in breach of requirements necessary to maintain its authorization to carry out banking activities, including but not

limited to because the institution has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or (d) it requires extraordinary public financial support in order to recover (except in limited circumstances).

Upon the opening of a resolution procedure, the resolution authorities are entrusted with the power to apply, on a stand-alone basis or in combination, the following tools:

- the sale of business, through which the resolution authority may transfer to a purchaser, on commercial terms (except for the case in which the application of commercial terms may affect the effectiveness of the sale or other instruments of ownership issued by the business tool or impose a material threat to financial stability): (a) the shares of the bank under resolution; and (b) all or any assets, rights and liabilities of the latter;
- incorporation of a so-called "bridge institution", through which the resolution authority may transfer to the bridge institution (an entity created for this purpose that is wholly owned by one or more public authorities and is controlled by the resolution authority): (a) the shares or other instruments of ownership issued by the bank under resolution and (b) all or any assets, rights and liabilities of the latter;
- the asset separation, through which the resolution authority may transfer assets, rights or liabilities of a bank or of a bridge institution (e.g., impaired assets, such as non-performing exposures) to one or more asset management vehicles (an entity created for this purpose that is wholly or partially owned by one or more public authorities and is controlled by the resolution authority) with a view to maximizing their value through the sale or orderly winding down; and
- bail-in, through which the resolution Authority may, jointly or severally, (a) write-down the bank's Common Equity Tier 1 ("**CET1**"), Additional Tier 1 ("**AT1**") and Tier 2 ("**T2**") instruments; (b) write-down the eligible liabilities, including bonds (with certain exceptions); (c) convert eligible liabilities into equity (shares or other instrument of ownership).

As to the application of bail-in, the resolution Authority must take into account the ranking of the bank's creditors according to the ordinary insolvency procedures, as the BRRD (and the corresponding Italian implementing rules) stipulates that, under resolution, no creditor may incur losses greater than they would have incurred under normal insolvency proceedings (the so called "no creditor worse off" principle).

Thus, in general terms, the ranking of the persons which may be subject to bail-in – from the lowest to the highest – is the following:

- holders of Common Equity Tier 1 instruments;
- holders of Additional Tier 1 instruments;
- holders of Tier 2 instruments, including subordinated notes;
- holders of senior non-preferred notes;
- holders of senior notes;
- depositors qualifying as large firms; and
- depositors qualifying as natural persons or SMEs.

The deposits within 100,000 Euros are protected by the Italian Deposit Guarantee Schemes.

The non-preferred senior notes (notes intending to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-bis of the Italian Consolidated Banking Act) are a new category of instrument introduced in Italy by the Italian Law No. 205/2017, implementing Directive (EU) 2017/2399. They constitute direct, unconditional, unsecured and non-preferred obligations, ranking junior to senior notes (or equivalent instruments), *pari passu* without any preferences among themselves, and in priority to any subordinated instruments and to the claims of

shareholders of the Issuer, pursuant to Article 91, section 1-bis, letter c-bis of the Italian Consolidated Banking Act.

Without prejudice to the above, the resolution authority may, in specified exceptional circumstances, partially or fully exclude certain further liabilities from the application of the bail-in tool (the "**General Bail-In Tool**").

Article 44, paragraph 2 of the BRRD excludes secured liabilities (including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which, according to national law, are secured in a way similar to covered bonds) from the application of the General Bail-In Tool.

The BRRD also provides for a Member State as a last resort, after having assessed and applied the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability and subject to certain other conditions, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD.

As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalisation EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

In addition to the General Bail-In Tool and other resolution tools, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken with losses taken in accordance with the priority of claims under normal insolvency proceedings ("**BRRD Non-Viability Loss Absorption**").

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which (i) the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or (ii) the relevant authority or authorities, as the case may be, determine(s) that the a relevant entity or, in certain circumstances, its group will no longer be viable unless the relevant capital instruments are written-down or converted or (iii) extraordinary public financial support is required by the relevant entity other than, where the entity is an institution, for the purposes of remedying a serious disturbance in the economy of an EEA member state and to preserve financial stability.

*Revisions to the BRRD framework*

The BRRD II published in the Official Journal of the European Union on 7 June 2019 and entered into force on 27 June 2019. With regard to the date of application, Member States were required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the total loss absorbency capacity standard ("**TLAC**") applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The BRRD II has been transposed under Italian law, in accordance with the European Delegation Law (Law No. 53/2021) of 22 April 2021, by Legislative Decree no. 193 of 8 November 2021, which has mainly amended the provisions set out under Legislative Decree No. 180 of 16 November 2015, the Italian Consolidated Banking Act and the Consolidated Finance Act to take into account the provisions of the BRRD II.

The EU Banking Reform Package includes, amongst other things:

- full implementation of the Financial Stability Board's TLAC standard ("FSB") in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework that include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;
- the introduction of a new category of "top-tier" banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed Euro 100 billion;
- the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and
- amendments to the article 55 regime in respect of the contractual recognition of bail-in.

In particular, with a view to ensuring full implementation of the TLAC standard in the EU, the EU Banking Reform Package and the BRRD II introduce MREL applicable to G-SIIs with the TLAC standard and to allow resolution authorities, on the basis of bank-specific assessments, to require that G-SIIs comply with a supplementary MREL requirement strictly linked to the resolvability analysis of a given G-SII. Neither the Bank nor any member of BMPS has been identified as a G-SIB in the 2025 list of global systemically important banks published by the FSB on 27 November 2025.

BRRD II introduces a minimum harmonised MREL requirement (also referred to as a Pillar 1 MREL requirement) applicable to G-SIIs only. The BRRD II includes important changes as it introduces a new category of banks, so-called top-tier banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed Euro 100 billion. At the same time, the BRRD II introduces a minimum harmonised MREL requirement (also referred to as a "**Pillar 1 MREL requirement**") which applies to G-SIIs and also top-tier banks. In addition, resolution authorities will be able, on the basis of bank-specific assessments, to require that G-SIIs and top tier banks comply with a supplementary MREL requirement (a "**Pillar 2 MREL requirement**"). A subordination requirement is also generally required for MREL eligible liabilities under BRRD II, but exceptions apply.

In order to ensure compliance with MREL requirements, and in line with the FSB standard on TLAC, the BRRD II provides that in case a bank does not have sufficient eligible liabilities to comply with its MREL requirements, the resultant shortfall is automatically filled up with CET1 Capital that would otherwise be counted towards meeting the combined capital buffer requirement. However, under certain circumstances, BRRD II envisages a nine-month grace period before restrictions to discretionary payments to the holders of regulatory capital instruments senior management of the bank and employees take effect due to a breach of the combined capital buffer requirement.

On 20 May 2020, the SRB published a non-binding policy named "Minimum Requirements for Own Funds and Eligible Liabilities (**MREL**) Policy under the Banking Package", aiming at helping to ensure that MREL is set in the context of fully feasible and credible resolution plans for all types of banks, as well as promoting a level playing field across banks including subsidiaries of non-banking Union (EU) banks. The policy, whose last update has been issued on 15th May 2024, addresses the following topics:

(a) calibration: the policy provides for modifications and extensions of the SRB's approach to MREL calibration in accordance with the framework set out by the EU Banking Reform Package;

(b) subordination for resolution entities: the policy sets the following subordination requirements: (i) Pillar 1 Banks are subject to subordination requirements composed of a

non-adjustable Pillar 1 MREL requirement that must be met with own funds instruments and eligible liabilities that are subordinated to all claims arising from excluded liabilities; (ii) Pillar 1 Banks' resolution authorities shall ensure that the subordinated MREL resources of Pillar 1 Banks are equal to at least 8% of total liabilities and own funds (TLOF); and (iii) non Pillar 1 Banks will be subject to a subordination requirement only upon the decision of the resolution authority to avoid a breach of the No Creditor Worse Off principle, following a bank-specific assessment carried out as part of resolution planning;

(c) internal MREL for non-resolution entities: the policy states that the SRB will progressively expand the scope of non-resolution entities for which it will adopt internal MREL decisions, and it may waive subsidiary institutions qualifying as non-resolution entities from internal MREL at certain conditions. In addition, the policy defines criteria for the SRB's possibly permitting the use of guarantees to meet the internal MREL within the Member State of the resolution entity;

(d) MREL for cooperative groups: the policy sets out minimum conditions to authorise certain types of cooperative networks to use eligible liabilities of associated entities other than the resolution entity to comply with the external MREL, as well as minimum conditions to waive the internal MREL of the legal entities that are part of the cooperative network;

(e) eligibility of liabilities issued under the law of a third country: the SRB policy expands on how liabilities issued under the law of third countries can be considered eligible through contractual recognition; and

(f) transitional arrangements: the policy explains the operation of transitional periods up to the 2024 deadline, including binding intermediate targets in 2022 and informative targets in 2023, also stating that transitional arrangements must be bank-specific (since they depend on the MREL tailored to that bank and its resolution plan, and the bank's progress to date in raising MREL-eligible liabilities).

The above mentioned MREL policy is reviewed and updated by the SRB on a yearly basis.

On 13 June 2023, EBA published its Guidelines addressed to institutions and resolution authorities on resolvability testing. The Guidelines aim to set-out a framework to ensure that resolvability capabilities developed to comply with the resolvability and transferability Guidelines are fit for the purpose and effectively maintained. In particular, the Guidelines aimed to promote the involvement of firms into the resolvability assessment process and increase their ownership of resolvability. As such, as a starting point, the Guidelines require institutions to submit a resolvability self-assessment at least every two years to set out how they meet the resolvability and transferability capabilities and how they have gained assurance of their adequacy. On the basis of this self-assessment, the Guidelines require authorities to develop testing programme to gain assurance of firms' resolvability, covering three years, so as to provide banks with sufficient visibility. Finally, for most complex banks, the Guideline require the most complex banks to develop a master playbook to ensure a holistic approach to resolution planning.

On 18 April 2023 the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (the "**CMDI**") framework. The package consisted of four legislative proposals that would amend existing EU legislation: the BRRD, the DGSD and the SRMR. On 24 April 2024, the CMDI received the endorsement from the European Parliament, plenary session. On 19 June 2024, the Council announced that it had agreed a negotiating mandate on the review of the CMDI.

As part of the CMDI, on 24 April 2024, Directive (EU) 2024/1174 of the European Parliament and Council of 11 April 2024, amending Directive 2014/59/EU and Regulation (EU) 2014/806 as regards certain aspects of the minimum requirements for own funds and eligible liabilities was published in

the European Official Journal (the "**Daisy Chain Act**").

Among the others, the new rules of the Daisy Chain Act aim to give the resolution authorities the power of setting internal MREL on a consolidated basis subject to certain conditions. Where the resolution authority allows a bank or a banking group to apply such consolidated treatment, the intermediate subsidiaries will not be obliged to deduct their individual holdings of internal MREL.

Moreover, the Daisy Chain Act would introduce a specific MREL treatment for "liquidated entities". Those are defined as entities within a banking group earmarked for winding-up in accordance with insolvency laws, which would, therefore, not be subject to resolution action (conversion or write-down of MREL instruments). On this basis and as a rule, liquidation entities will not be obliged to comply with a MREL requirement unless the resolution authority decides otherwise on a case-by-case basis for financial stability protection reasons. The own funds of these liquidation entities issued to the intermediate entities will not need to be reduced except when they represent material share of the own funds and eligible liabilities of the intermediate entity.

On 11 December 2025, Legislative Decree no. 185 of 4 December 2025 was published in the Official Gazette, transposing the Daisy Chain into the Italian regulatory framework and amending Legislative Decree no. 180 of 16 November 2015.

On 25 June 2025, the Council and the Parliament reached an agreement on the Commission proposal to review the CMDI package. The reform aims to enhance the ability of resolution authorities to manage the failure of small and medium-sized banks by broadening the scope of resolution to include these banks when it serves the public interest. This will enable more banks to undergo an orderly exit, such as a sale to another bank, rather than being liquidated, thereby minimising economic disruption in the event of bank failures. The reform will also strengthen depositor protection across the European Union.

The CMDI package, comprising amendments to the BRRD, the SRMR and Directive 2014/49/EU ("**DGSD**") entered into force on the twentieth day following their publication in the Official Journal of the European Union and will apply, with certain exceptions, twenty-four months thereafter.

Changes to the BRRD under BRRD II will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

### The Regulatory Treatment of NPLs

On 20 March 2017, the ECB published the "*Guidance to banks on non-performing loans*", and on 15 March 2018 the "*Addendum to ECB Guidance to banks on non-performing loans*", both addressed to credit institutions, as defined pursuant to article 4, paragraph 1, of the CRR. These guidance papers are addressed, in general, to all significant institutions subject to direct supervision in the context of the SSM, including their international subsidiaries. The ECB banking supervision identified in the aforementioned guidance a set of practices which are deemed useful to indicate the expectations of ECB in relation to banking supervision. The documents set out measures, processes and best practices which should be integrated in the treatment of NPLs by banks, for which this issue should represent a priority. The ECB expects full adherence by banks to these guidance papers regarding the treatment of NPLs, which is expected to take into account the length of time a loan has been non-performing and the extent and valuation of collateral (if any). In particular, the addendum issued by the ECB on March 2018 provides that, with respect to all the loans that will be qualified as impaired loans as from 2018, full coverage is expected for the unsecured portion of the NPL within two years and within seven years for secured portion at the latest.

On 17 April 2019 the European Parliament and the Council has adopted Regulation (EU) 2019/630 amending CRR which is applicable from 26 April 2019 and introduces common minimum loss coverage levels for newly originated loans that become non-performing. Pursuant to this regulation,

where the minimum coverage requirement is not met, the difference between the current coverage level and the requirement should be deducted from a bank's CET1 capital. Thus, the minimum coverage levels act as a "statutory prudential backstop". The required coverage increases gradually depending on how long an exposure has been classified as nonperforming, being lower during the first years. In order to facilitate a smooth transition towards the new prudential backstop, the new rules should be applied in relation to exposures originated prior to 26 April 2019 and exposures which were originated prior to 26 April 2019 and are modified by the institution in a way that increases the institution's exposure to the obligor. In addition, on 26 June 2020, the CRR Quick-fix amending the CRR and Regulation (EU) 2019/876 as regards adjustments in response to the COVID-19 pandemic was published, and provided – *inter alia* – a temporary extension of the preferential treatment under the NPL backstop received by NPLs guaranteed by official export credit agencies (**ECAs**) to NPLs guaranteed by the public sector in the context of measures aimed at mitigating the economic impact of the COVID-19 pandemic, recognising the similar characteristics shared by export credit agencies guarantees and COVID-19 related public guarantees.

Following the adoption of the new regulation on the Pillar 1 treatment of NPE**s**, on 22 August 2019 the ECB revised its supervisory expectations for prudential provisioning of new NPEs specified in the addendum in order to limit the scope to NPEs arising from loans originated before 26 April 2019, which are not subject to Pillar 1 NPE treatment, and to align the treatment with the Pillar 1 framework with reference to: (i) the relevant prudential provisioning time frames; (ii) the progressive path to full implementation; (iii) the split secured exposures; and (iv) the treatment of NPEs guaranteed/insured by an official export credit agency. In this regard, on the 10 December 2025 the European Central Bank published its Guideline (EU) 2025/2595 on the supervisory approach by national competent authorities to coverage of non-performing exposures held by less significant supervised entities (ECB/2025/40).

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

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalization of the Directive on credit servicers, credit purchasers and the recovery of collateral); (ii) Reform the EU's corporate insolvency and debt recovery legislation; (iii) Support the establishment and cooperation of national asset management companies at EU level; (iv) Introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's Bank Recovery and Resolution Directive and State aid frameworks. It should also be noted that in response to the COVID-19 pandemic, the ECB extended the preferential treatment foreseen for NPLs guaranteed or insured by Official Export Credit Agencies to nonperforming exposures that benefit from guarantees granted by national governments or other public entities, in line with the treatment provided in Regulation (EU) 2020/873. This means that banks would face a 0% minimum coverage expectation for the first seven years of the NPE vintage count. On 24 November 2021, the European Parliament and the Council adopted the Directive (EU) 2021/2167 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU, which sets out a harmonized regulatory framework for services in relation to non-

performing loans and has to be implemented by Member States by 29 December 2023. Directive (EU) 2021/2167 has been implemented in Italy with legislative decree n. 116 of 30 July 2024.

## 3. New accounting principles and the amendment of applicable accounting principles – IFRS 9, IFRS 15, IFRS 16

In 2020 the following standards came into force:

- Amendments to References to the Change to the Conceptual Framework (EU reg.

2019/2075)

- Amendments to IAS 1 and IAS 8 – Definition of material (EU reg. 2019/2104)
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (EU reg. 2020/34)
- Amendments to IFRS 3 – Business Combinations (EU reg. 2020/551)
- Amendments to IFRS 16 – COVID-19 Related Rent Concessions (EU reg. 2020/1434)
- The amendments to the accounting standard indicated above are not material for the Group.

As of 30 September 2021, the accounting standard "Amendments to IFRS 9, IAS39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2" (EU Reg. 2021/25) applicable to reporting starting from 1 January 2021 has been endorsed by the European Commission.

On July 2021, Reg. EU 2021/1080 was published. The regulation endorses the documents published by IASB: "Amendments to IFRS3, IAS 16, IAS 37 and Annual Improvements 2018-2020". The proposed amendments are effective starting from 01 January 2022. The Early adoption is permitted, but not applied by the Group. On August 2021, Reg EU 2021/1421 was published; this regulation endorses the documents " COVID-19 Related Rent Concessions beyond 30 June" and extends by one year the period of application of the original amendment to IFRS 16 "COVID-19-Related Rent Concessions", issued and approved in 2020.

As at 30 September 2021, the IASB issued the following standards whose applications are subject to completion of the endorsement process by European Union, which is still ongoing:

- Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting Policies (February 2021)
- Amendment to IAS 8 – Definition of accounting Estimates (February 2021)
- Amendment to IAS 12 – Deferred Tax related to Asset and Liabilities arising from a Single Transaction (May 2021)

## 4. Deposit Guarantee Scheme Directive and Single Resolution Fund

With reference to the application of: (i) Directive 2014/49/EU of the European Parliament and of the European Council of 16 April 2014 on deposit guarantee schemes; (ii) BRRD; and (iii) Regulation (EU) no. 806/2014 of the European Parliament and the European Council establishing, *inter alia*, the SRF, which as of 1 January 2016 includes at national level, sub-funds to which contributions collected at national level by Member States through their National Resolution Fund ("**NRF**") are allocated, the Bank is bound to provide the financial resources necessary to finance the DGS and the SRF.

As a consequence of such introduction, the FITD, updated its by-laws through a shareholders resolution on 26 November 2015 anticipating the introduction of the prepayment mechanism (aimed at reaching the aforementioned multi-annual target with the target at 2024).

In this context, the Bank of Italy, in its capacity as national resolution authority, set up the NRF, which collects from banks with registered offices in the Republic of Italy, ordinary and extraordinary contributions, in accordance with the provisions of articles 82 and 83 of Decree 180 (as defined above). Articles 82 and 83 of Decree 180 were repealed by 193 Decree as the NFR had been pooled together with the SRF. The SRF and the NRF may in the future require contributions for an amount that cannot be currently determined.

In February 2024, the SRB announced that the financial means available in the SRF at 31 December 2023 represented Euro 78 billion and therefore reached the target level of at least 1% of covered deposits held in the Member States participating in the SRM. As such, no regular annual contributions were collected in 2024 from the institutions in scope of the SRF, including the Issuer.

From 2024 on, the SRB shall then determine the annual contribution be raised from in-scope institutions. Notably, the SRB shall determine, on a yearly basis, whether the available financial means of the SRF have decreased falling below the minimum target level (i.e. at least 1% of the covered deposits of in-scope credit institutions) and thus whether additional contributions to the SRF are thus required to be collected. In the 2025 and 2026 contribution cycles, the SRB determined that the SRF had not decreased below the minimum target level and, therefore, no additional contributions to the SRF were required to be collected.

*Voluntary scheme*

For the purpose of overcoming the negative position taken by the European Commission in respect of the use of mandatory contributions to support interventions in favour of banks in crisis, at the end of 2015, in the context of the FITD, the voluntary scheme was established as an additional tool not subject to the restrictions of the EU regime and of the European Commission. The voluntary scheme provides for a maximum amount of Euro 795 million to be used to support interventions in favour of small banks in difficulty and subject to extraordinary administration procedure, in case of concrete recovery perspectives and for the purpose of avoiding higher burdens for the banking system consequent to liquidation or resolution interventions. Such resources are not immediately paid by adhering banks, which simply undertake to disburse them upon request on occasion of specific interventions, up to such maximum amount. The Group adhered to the voluntary scheme and accordingly committed its share of the maximum amount.

From 2016 to the first half of 2022, the Voluntary Scheme intervened in support of several banks, in particular Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini, Cassa di Risparmio di San Miniato, Banca Carige, Banca Popolare di Bari, and AIGIS Banca.

On 14 February 2022, the FITD accepted a purchase offer from the BPER Group for 80% of Banca Carige's share capital held by the FITD itself, with a purchase price of 1 euro and the condition that the Fund would recapitalize the Ligurian bank by 530 million euros. The closing of the transaction took place on 3 June 2022, also involving BPER's purchase of subordinated bonds issued by Banca Carige and owned by the Voluntary Scheme for a nominal amount of 5 million euros.

Following the above, during the third quarter of 2022, the Bank completed the disposal of its investments indirectly held in Banca Carige and in other financial instruments through the FITD Voluntary Scheme.

## 5. Covered Bond Legislative Package

On 18 December 2019, Directive (EU) 2019/2162 and Regulation (EU) 2019/2160 amending the CRR have been published in the Official Journal of the European Union. They shall apply from 8 July 2022.

The Directive (EU) 2019/2162 has been transposed into the Italian legal framework by Decree 190/2021, which designated the Bank of Italy as the competent authority for the public supervision of the covered bonds, which was entrusted with the issuing of the implementing regulations of the Title

I-bis of Law 130, as amended, by 8 July 2022, in accordance with article 3, paragraph 2, of Decree 190/2021. In this respect, the provisions of Law 130, as amended by Decree 190/2021, apply to covered bonds issued starting from 8 July 2022, in certain cases subject to entry into force of the implementing measures as referred to under article 3, paragraph 2, of Decree 190/2021. As per the implementing regulation, the Bank of Italy has launched a public consultation on 12 January 2023 with regard, inter alia, to the definition of (i) the criteria for the assessment of the eligible assets and the conditions for including covered bonds among eligible assets for derivative contracts with hedging purposes; (ii) the procedures for calculating hedging requirements; (iii) the conditions for issuing new issuance programmes; (iv) giving the possibility also to banks with credit rating 3 to act as counterparties of a derivative contract with hedging purposes; (v) the reduction of the minimum level of over-collateralization for covered bonds (i.e. 2% instead of 5%). The public consultation ended on 11 February 2023 and has brought to the publication of the 42th amendment to the Bank of Italy Circular No. 285/2013.

Directive (EU) 2019/2162 lays down rules on the issuance requirements, structural features, public supervision and publication obligations for covered bonds. Compared with the UCITS, Directive (EU) 2019/2162 provides for a number of more complex structural requirements, such as the dual recourse and the bankruptcy remoteness tools. The Directive at hand also establishes specific requirements for a liquidity reserve and introduces the possibility of joint funding and intragroup pooled covered bond structures in order to facilitate the issuance of covered bonds by small credit institutions. Moreover, the Directive provides the authorities of the Member States with the task of monitoring compliance of covered bond issuances with the abovementioned requirements and regulates the conditions for obtaining the authorisation to carry out the activity of issuance of covered bonds in the context of a covered bond programme.

Regulation (EU) 2019/2160 introduces some amendments to Article 129 of the CRR, providing for additional requirements for covered bonds to be eligible for the relevant preferential treatment. In particular, the Regulation introduces a rule allowing exposures to credit institutions rated in credit quality step 2 up to a maximum of 10% of the total exposure of the nominal amount of outstanding covered bonds of the issuing institution, without the need to consult the EBA. The Regulation also requires a minimum level of overcollateralization in order to mitigate the most relevant risks arising in the case of the issuer's insolvency or resolution.

On 12 February 2022, the European Commission issued delegated regulation 2022/786 aimed at amending Delegated Regulation (EU) 2015/61 (the "**LCR Delegated Regulation**") on the Liquidity Coverage Ratio (LCR) in order to align the LCR Delegated Regulation with Article 129 of the CRR, as amended by Regulation (EU) 2019/2160.

On 8 May 2021, the European Delegated Law 2019 has entered into force. It delegates the Italian Government to implement – inter alia – Directive (EU) 2019/2162. According to the European Delegated Law 2019:

- the Bank of Italy is the competent authority for the supervision on covered bonds;
- the implementing provisions shall provide for the exercise of the option granted by Article 17 of Directive (EU) 2019/2162, allowing for the issue of covered bonds with extendable maturity structures, and
- the implementing provisions shall grant the Bank of Italy with the power to exercise the option to set for covered bonds a minimum level of overcollateralization lower than the thresholds set out under Article 1 of Regulation (EU) 2019/2162 (i.e. 2% or 5% depending on the assets included in the cover pool).

On 30 November 2021 the Decree 190/2021 implementing Directive (EU) 2019/2162 was published

in the Official Gazette No. 285 of 30 November 2021 and entered into force on 1 December 2021. In this respect, it is worth mentioning that the national legislator chose to exercise the following options provided by Directive (EU) 2019/2162: (i) the possibility not to apply the liquidity requirement of the cover pool limited to the period covered by the liquidity requirement provided for in Delegated Regulation (EU) 2015/61; (ii) the possibility of allowing the issuance of covered bonds with extendable maturity structures; (iii) the possibility of allowing the calculation of the liquidity requirement of the cover pool in case of programs with extendable maturity by taking as a reference the final maturity date for the payment of principal.

Moreover, the Decree 190/2021 designates the Bank of Italy as the competent authority for the public supervision of the covered bonds, which was entrusted with the issuing of the implementing regulations. In this respect, Bank of Italy issued the 42nd amendment to the Circular no. 285, providing for the implementing measures referred to under article 3, paragraph 2, of Decree 190/2021.

## THE GUARANTOR

### Introduction

The Guarantor was incorporated in the Republic of Italy on 08 February 2012 pursuant to Law 130 as a limited liability company (*società a responsabilità limitata*) under the name "SPV 2 Covered Bond S.r.l." and changed its name into "MPS Covered Bond 2 S.r.l." by the resolution of the meeting of the Quotaholders held on 27 April 2012 and enrolled into the companies' registry of Treviso-Belluno on 04 May 2012. The Guarantor is registered at the companies' registry of Treviso-Belluno under registration number 04508680263. The registered office of the Guarantor is at Via Vittorio Alfieri, 1 - 31015 Conegliano (TV), Italy and its telephone number is 0438 360926. The Guarantor has no employees and no subsidiaries. The Guarantor's by-laws provides for the termination of the same on 31 December 2100 subject to one or more extensions to be resolved, in accordance with the by-laws, by a Quotaholders' resolution. The Guarantor operates under the Italian law.

The LEI of the Guarantor is 8156001633A332BA9054.

### Principal Activities

The sole purpose of the Guarantor under the objects clause in its by-laws is the ownership of the Cover Pool and the granting to Bondholders of the Guarantee. From the date of its incorporation the Guarantor has not carried out any business activities nor has incurred in any financial indebtedness other than those incurred in the context of the Programme.

### Quota Capital

The outstanding capital of the Guarantor is euro 10,000.00 divided into quotas as described below. The quotaholders of the Guarantor are as follows:

| Quotaholders | Quota |
|---|---|
| SVM Securitisation Vehicles Management S.r.l.[14] | Euro 1,000.00 (10% of capital) |
| BMPS | Euro 9,000.00 (90% of capital) |

The Guarantor has not declared or paid any dividends or, save as otherwise described in this Base Prospectus, incurred any indebtedness.

### Management

*Board of Directors*

The following table sets out certain information regarding the current members of the Board of Directors of the Guarantor.

| Name | Position | Principal activities performed outside the Guarantor |
|---|---|---|
| Samuele Trombini | Chairman of the Boards of Directors and Managing Director | Samuele Trombini, Head of Administrative Management within the Credit Portfolio Governance Function of Banca Monte dei Paschi di Siena S.p.A.. |

14 Whose 100 per cent. is held by Stichting Cima. Stichting Cima is a Dutch foundation, whose sole director is Intertrust (Netherlands) B.V.

| Name | Position | Principal activities performed outside the Guarantor |
|---|---|---|
| Blade Management s.r.l. | Managing Director | The Company's object is to carry out the activity of administration, as well as the function of liquidator, of any type of joint stock company. |
| Marchesin Pino | Natural Designated person of Blade Management S.r.l. | Certified public accountant and auditor |
| Claudia Casini | Managing Director | Specialist of the MPS Liquidity Monitoring and Control Team |

The business address of Samuele Trombini and Claudia Casini is Via V. Alfieri, 1, 31015 Conegliano (TV), Italy; the business address of Blade Management S.r.l. is in Viale Italia 203, Conegliano (TV).

*Board of Statutory Auditors*

Under the Quotaholders' Agreement the Quotaholders have undertaken that, if, at any time, they decide to appoint a supervisory body, one single Statutory Auditor will be appointed upon indication from BMPS.

On 30 Jannuary 2023, Mr Montanari Werther was appointed as single Statutory Auditor of the Guarantor.

Conflict of Interest

There are no potential conflicts of interest between any duties of the directors of the guarantor and their private interests or other duties.

The Quotaholders' Agreement

Pursuant to the term of the Quotaholders' Agreement entered into on 23 May 2012 (as amended from time to time), between BMPS, SVM Securitisation Vehicles Management S.r.l. and the Representative of the Bondholders, the Quotaholders have agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Guarantor and not to pledge, charge or dispose of the quotas (save as set out below) of the Guarantor without the prior written consent of the Representative of the Bondholders and prior notice the Rating Agency. The Quotaholders' Agreement is governed by, and will be construed in accordance with, Italian law. Please also see section "*Description of the Programme Documents – The Quotaholders' Agreement*" below.

Financial Statements

The financial year of the Guarantor ends on 31 December of each calendar year.

The Guarantor has not, from the end of its first financial year (31 December 2012), carried out any business activities nor has incurred in any financial indebtedness (other than those incurred in the context of the Programme).

PricewaterhouseCoopers S.p.A. has been appointed on 17 April 2023 to perform the audit of the financial statements of the Guarantor for the period between the year ended on 31 December 2023 and the year ended on 31 December 2025.

PricewaterhouseCoopers S.p.A. has been appointed on 13 April 2026 to perform the audit of the financial statements of the Guarantor for the period between the year ending on 31 December 2026 and the year ending on 31 December 2028.

Nevertheless, in accordance with Italian law (requiring all companies to approve a balance sheet within a specified period from the end of each financial year), the Guarantor has prepared its financial statements for the period between the end of its first financial year (31 December 2012) and the end of its 13th financial year (31 December 2025).

The financial statements of the Guarantor, for the year ended on 31 December 2025, have been approved by the meeting of the quota-holders of the Guarantor on 13 April 2026.

## DESCRIPTION OF THE PROGRAMME DOCUMENTS

### GUARANTEE

On 23 May 2012, the Issuer, the Guarantor and the Representative of the Bondholders entered into the Guarantee, as amended from time to time, pursuant to which the Guarantor issued, for the benefit of the Bondholders, a first demand, unconditional, irrevocable and independent guarantee to support payments of interest and principal under the Covered Bonds issued by the Issuer under the Programme and of the amounts due to the Other Guarantor Creditors. Under the Guarantee the Guarantor has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the Guarantor under the Guarantee constitute direct and (following the occurrence of an Issuer Event of Default or a Resolution Event, unless the Issuer has fulfilled its payment obligations under the Covered Bonds by the relevant payment date, and the service of an Issuer Default Notice on the Issuer and the Guarantor or, if earlier, the service on the Issuer and the Guarantor of a Guarantor Default Notice) unconditional, unsubordinated and limited recourse obligations of the Guarantor, backed by the Cover Pool as provided under Law 130 and the Bank of Italy Regulations. Pursuant to the terms of the Guarantee, the recourse of the Bondholders to the Guarantor under the Guarantee will be limited to the assets of the Cover Pool. Payments made by the Guarantor under the Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments, as applicable.

Under the Guarantee the parties thereof have agreed that as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer, the Guarantor (or the Representative of the Bondholders pursuant to the Intercreditor Agreement) shall exercise, on an exclusive basis and in compliance with the provisions of article 7-*quaterdecies* of Law 130, the rights of the Bondholders against the Issuer and any amount recovered from the Issuer will be part of the Guarantor Available Funds, provided that, pursuant to article 7-*quaterdecies* of Law 130, further to enforcement of the Guarantee, the Covered Bondholders shall participate to the final distribution of the Issuer's assets in respect of any residual amount due to them with any other unsecured creditor including – pursuant to article 7-*quaterdecies* of Law 130 – any derivative transaction counterparty.

The Guarantor, pursuant to the Guarantee, shall pay or procure to be paid to the Bondholders:

(a) following the service of an Issuer Default Notice on the Issuer and on the Guarantor (but prior to a Guarantor Event of Default), and without prejudice to the effects of (i) a Suspension Period and (ii) an Extended Maturity Date being specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds, an amount equal to those Guaranteed Amounts which shall become Due for Payment, but which have not been paid by the Issuer to the relevant Bondholders, on each relevant Interest Payment Date, in accordance with the Guarantee Priority of Payments. In this respect, the payment of any Guaranteed Amounts which are Due for Payment in respect of a Series or Tranche of Covered Bonds whose Interest Payment Date or Maturity Date (or Extended Maturity Date, if applicable) falls within two Business Days immediately after delivery of an Issuer Default Notice, will be made by the Guarantor within the date falling five Business Days following such delivery, it being understood that the above provision will apply only (A) in respect of the first Interest Payment Date of the relevant Series or Tranche of Covered Bonds and (B) in respect of the Maturity Date (or Extended Maturity Date, if applicable) of the Earliest Maturing Covered Bonds; or

(b) following the service of a Guarantor Default Notice on the Guarantor, the Guaranteed Amounts in respect of the Covered Bonds of each Series or Tranche (which shall have become immediately due and repayable), in accordance with the Post-Enforcement Priority of Payments.

All payments of Guaranteed Amounts by or on behalf of the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or

other governmental charges of whatever nature unless such withholding or deduction of such taxes, assessments or other governmental charges is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The Guarantor shall not be obliged to pay any amount to any Bondholder in respect of the amount of such withholding or deduction.

To the extent that the Guarantor makes, or there is made on its behalf, a payment of any amount under the Guarantee, the Guarantor will be fully and automatically subrogated to the Bondholders' rights against the Issuer for the payment of an amount corresponding to the payments made by the Guarantor with respect to the relevant Series or Tranche of Covered Bonds under the Guarantee, to the fullest extent permitted by applicable law, provided that, pursuant to article 7-*quaterdecies* of Law 130, further to enforcement of the Guarantee, the Covered Bondholders shall participate in the final distribution of the Issuer's assets in respect of any residual amount due to them with any other unsecured creditor including – pursuant to article 7-*quaterdecies* of Law 130 – any derivative transaction counterparty.

*Governing law*

The Guarantee 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.

SUBORDINATED LOAN AGREEMENTS

On 30 April 2012, BMPS, as Main Subordinated Lender, and the Guarantor entered into the BMPS Subordinated Loan Agreement, as amended and restated from time to time, in accordance with Law 130 under which BMPS, acting as Main Subordinated Lender, granted to the Guarantor a term loan facility in an aggregate amount equal to the Total Commitment (as may be increased from time to time by any amount required to meet the Tests), for the purposes of funding the purchase price of the Eligible Assets pursuant to the terms of the Master Asset Purchase Agreement and the Cover Pool Management Agreement.

To the extent an Additional Seller will accede to the Programme, it will enter into a Subordinated Loan Agreement with the Guarantor having, *mutatis mutandis*, the terms and conditions of the BMPS Subordinated Loan Agreement.

Under the terms of the Subordinated Loan Agreements, the Main Seller and each Additional Seller, if any, in their capacity, respectively, as Main Subordinated Lender and Additional Subordinated Lender(s), will from time to time grant to the Guarantor Term Loans in the form of (i) a Programme Term Loan, or (ii) a Floating Interest Term Loan, or (iii) a Fixed Interest Term Loan.

Each Programme Term Loan will be granted for the purpose of, *inter alia*, (a) funding the purchase price of the Eligible Assets included in the Initial Portfolio; (b) funding, in whole (upon delivery by the Test Calculation Agent of a Test Performance Report showing the breach of any of the Tests) or in part, the purchase price of the Eligible Assets to be transferred to the Guarantor pursuant to the Master Assets Purchase Agreement and the Cover Pool Management Agreement in order to remedy the breach of any of the Tests; (c) allowing the Guarantor to credit on the Reserve Account or to create a reserve sufficient to respect the Liquidity Reserve Requirement, and/or (d) funding (in whole or in part) the purchase price of any Eligible Assets transferred to the Guarantor pursuant to the Master Assets Purchase Agreement for over-collateralisation purposes.

Each Floating Interest Term Loan or Fixed Interest Term Loan will be granted for the purpose of, *inter alia*, funding (in whole or in part) (a) the purchase price of the Eligible Assets included in any New Portfolios to be transferred to the Guarantor in connection with the issue of a Corresponding Series or Tranche of Covered Bonds to be issued under the Programme, and/or (b) the repayment (in whole or in

part) of any Term Loan previously granted, and/or (c) allowing the Guarantor to credit on the Reserve Account or to create a reserve sufficient to respect the Liquidity Reserve Requirement.

The rate of interest applicable (x) in respect of each Programme Term Loan for each relevant Loan Interest Period shall be equal to EURIBOR plus a Margin (the "**Base Interest**") and shall be payable to each relevant Subordinated Lender, together with a Premium (if any), on each Guarantor Payment Date in accordance with the applicable Priority of Payments; and (y) in respect of each Floating Interest Term Loan or Fixed Interest Term Loan for each relevant Loan Interest Period shall be equal to the interest computed under the Corresponding Series or Tranche of Covered Bonds (the "**Corresponding Interest**") and shall be payable to each relevant Subordinated Lender on each Guarantor Payment Date in accordance with the applicable Priority of Payments. No Premium shall be payable on the Floating Interest Term Loan(s) or Fixed Interest Term Loan(s), provided that following the delivery of Breach of Tests Notice no payment of interest under any Term Loan shall be made by the Guarantor to the Subordinated Lender.

Each Programme Term Loan, unless repaid in full prior to such date, shall be repaid on the Guarantor Payment Date immediately following the Maturity Date or the Extended Maturity Date, as applicable, of the latest maturing Series or Tranche of Covered Bonds, within the limits of the then Guarantor Available Funds and in accordance with the relevant Priority of Payments. In addition, the Main Subordinated Lender may propose the Guarantor to reimburse each Programme Term Loan subject *inter alia* to the condition that Tests to be carried out as at the Test Calculation Date immediately succeeding the relevant Guarantor Payment Date are satisfied and that, as at the relevant Guarantor Payment Date, there are sufficient Guarantor Available Funds.

Each Floating Interest Term Loan or Fixed Interest Term Loan, unless repaid in full prior to such date, shall be repaid in full on the Guarantor Payment Date immediately following the date that matches the Maturity Date (or, as applicable, the Extended Maturity Date) of the Corresponding Series of Covered Bonds through (i) the Principal Available Funds (provided that, to the extent such amounts are insufficient for such purpose, the above provisions governing the repayment of the Programme Term Loans will apply) or (ii) the granting of a Programme Term Loan, and shall be payable within the limits of the then Guarantor Available Funds and in accordance with the relevant Priority of Payments.

Pursuant to the Subordinated Loan Agreement(s), no amounts under the Subordinated Loan Agreements (either as repayment of principal or payment of interest or Premium) will become due to the relevant Subordinated Lender upon occurrence of (a) a Segregation Event, until delivery of a Breach of Tests Cure Notice; or (b) an Issuer Event of Default or a Guarantor Event of Default, until payment or discharge in full by the Guarantor of any other amounts ranking higher the repayment of Term Loans pursuant to the applicable Priority of Payments..

Under the Subordinated Loan Agreements, the parties thereof have agreed that each Term Loan (in the form of a Programme Term Loan, or a Floating Interest Term Loan, or a Fixed Interest Term Loan) may – but will not be required to – be exceptionally redeemed (in whole or in part) on each Guarantor Payment Date in order to remedy any breach to the threshold provided for under Article 129, paragraph (1a) of the CRR, provided that such breach may not be remedied by purchasing new Eligible Assets under the Master Assets Purchase Agreement, provided, in any event, that such redemption does not result in a breach of the Tests.

Amounts owed to each Subordinated Lender by the Guarantor under the Subordinated Loan Agreements will be subordinated to amounts owed by the Guarantor under the Covered Bond Guarantee.

### *Governing law*

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.

## MASTER ASSETS PURCHASE AGREEMENT

On 30 April 2012, BMPS and the Guarantor entered into the Master Assets Purchase Agreement in accordance with the combined provisions of articles 4 and 7-*bis* (now Title I-*bis*) of Law 130, pursuant to which BMPS, in its capacity as Main Seller, assigned and transferred, without recourse (*pro soluto*), to the Guarantor and the Guarantor purchased, without recourse (*pro soluto*), the Eligible Assets comprised in the Initial Portfolio.

Under the Master Assets Purchase Agreement, upon satisfaction of certain conditions set out therein, the Main Seller:

(a) undertook to assign and transfer in the future, without recourse (*pro soluto*), to the Guarantor and the Guarantor undertook to purchase in the future, without recourse (*pro soluto*) from the Main Seller, New Portfolios if such transfer is required under the terms of the Cover Pool Management Agreement in order to ensure the compliance of the Cover Pool with the Tests, provided that, according to Law 130 and the Bank of Italy Regulations, in case of breach of the Liquidity Reserve Requirement the Main Seller undertook to assign and the Guarantor undertook to purchase Liquidity Assets only;

(b) may transfer New Portfolios to the Guarantor, and the Guarantor shall purchase from the Main Seller such New Portfolios, in order to (i) supplement the Cover Pool in connection with the issuance by BMPS of further Series or Tranches of Covered Bonds under the Programme in accordance with the Programme Agreement or (ii) invest funds in excess with respect to the Tests, also for the purposes of ensuring compliance of the Cover Pool with the thresholds required under Article 129, paragraph (1a) of the CRR, in other Eligible Assets.

Pursuant to the Master Assets Purchase Agreement, the Guarantor further undertook to purchase any New Portfolios transferred from time to time by any other eligible bank part of the Montepaschi Group which will accede to the Programme as Additional Seller.

New Portfolios may only be offered or purchased if the following conditions are satisfied:

(a) a Guarantor Default Notice has not been served on the Guarantor;

(b) with respect to any assignment of Eligible Assets made by the relevant Seller(s) in order to (i) supplement the Cover Pool against the issuance of further Series or Tranche of Covered Bonds, or (ii) made in order to ensure compliance of the Cover Pool to the Tests;

(c) the Guarantor has received from the relevant Seller(s) the amounts due under the relevant Subordinated Loan Agreement for the payment of the purchase price relating to the assigned Portfolios;

(d) no Insolvency Event in respect of the relevant Seller(s) occurred;

(e) with respect to any assignment made for overcollateralisation purposes, no Breach of Tests Notice or Issuer Default Notice has been served, and sufficient Principal Available Funds are available at the relevant Execution Date for the payment of the purchase price relating to the assigned New Portfolio or the Guarantor received from the relevant Seller(s) the necessary amounts pursuant to the Subordinated Loan Agreement;

(d) with respect to any assignment made to invest Principal Available Funds, which are in excess of the Tests, in Eligible Assets, also for the purposes of ensuring compliance of the Cover Pool with the thresholds required under Article 129, paragraph (1a) of the CRR, a Breach of Tests Notice or an Issuer Default Notice has not been served on the Guarantor and/or the Issuer, as the case may be, and sufficient Principal Available Funds, where the relevant purchase price of the Portfolios is not financed through a Subordinated Loan, are available at each relevant Execution Date.

The Initial Portfolio Purchase Price payable pursuant to the Master Assets Purchase Agreement was equal to the aggregate Purchase Price of all the Assets included in the Initial Portfolio.

The Purchase Price for the Receivables included in the Initial Portfolio was equal to the sum of the most recent book value (*ultimo valore di iscrizione in bilancio*) of the each Receivable (a) minus the aggregate amount of (i) the accrued interest as at 1st January 2012 (excluded) included in such book value with respect to each Receivable; and (ii) any collections with respect to principal received by the Main Seller with respect to each Receivable included in the Initial Portfolio starting from 01 January 2012 (included) until the relevant Valuation Date (included); and (b) increased of the aggregate amount of the Accrued Interest of each Receivable included in the Initial Portfolio.

The purchase Price for the Receivables included in each following Portfolio was equal to the sum of the Individual Purchase Price of all the Assets included in the relevant Portfolio at the relevant Valuation Date.

The Receivables comprised in the Initial Portfolio and in each following Portfolio met, at the relevant Valuation Date, the Common Criteria and the Specific Criteria set out in the Master Assets Purchase Agreement (all such criteria are described in detail in the section headed "*Description of the Cover Pool*").

Receivables comprised in any New Portfolio to be transferred under the Master Assets Purchase Agreement shall meet, in addition to the Common Criteria, the relevant Specific Criteria as from time to time specified in the relevant Transfer Proposal.

As consideration for the transfer of any New Portfolios, pursuant to the Master Assets Purchase Agreement, the Guarantor will pay to the relevant Seller an amount equal to the aggregate purchase price of all the relevant Receivables as at the relevant Valuation Date. The Purchase Price for each Eligible Asset included in each New Portfolio will be (X) with respect to each Receivable, the most recent book value (*ultimo valore di iscrizione in bilancio*) of the relevant Receivable: (a) minus the aggregate amount of (i) the accrued interest obtained at the date of the last financial statement with reference to such Receivable and included in such book value; and (ii) any collections with respect to principal received by the relevant Seller with respect to such Receivable, starting from the date of the most recent financial statement (*ultimo bilancio*) until the relevant Valuation Date (included); and (b) increased of the aggregate amount of the Accrued Interest with respect to such Receivable obtained at the relevant Valuation Date; or (Y) such other value, pursuant to Title I-*bis* of Law 130, as indicated by the Main Seller (or each Additional Seller(s)) in the relevant Transfer Proposal (also with respect to any further Eligible Assets different from the Receivables).

Pursuant to the Master Assets Purchase Agreement, prior to the service of an Issuer Default Notice, BMPS will have the right to repurchase Eligible Assets, in accordance with articles 1260 and following of the civil code or in accordance with article 58 of the Consolidated Banking Act, as the case may be, transferred to the Guarantor under the Master Assets Purchase Agreement, in the following circumstances:

(a) to purchase UTP Assets or Defaulted Assets;

(b) to purchase Excess Assets (to be selected by the relevant Seller);

(c) to purchase Affected Assets;

(e) to purchase Eligible Assets which have become non-eligible in accordance with Law 130 and the Bank of Italy Regulations;

(f) Receivables, not included under the Eligible Assets from (a) to (d) above, being subject to renegotiations with the relevant Debtor pursuant to the Master Servicing Agreement or which have become the object of judicial proceedings; and

(g) Receivables not included under the Eligible Assets under point (a) above, in respect of which there are 6 unpaid Instalments (in respect of Receivables deriving from Mortgage Loans with monthly instalments), 2 unpaid Instalments (in respect of Receivables deriving from Mortgage Loans with quarterly instalments) or 1 unpaid Instalments (in respect of Receivables deriving from Mortgage Loans with semi-annual instalments).

If on any Quarterly Test Calculation Date a Test Performance Report specifies that the Cover Pool is not in compliance with the Tests, then the Main Seller (and/or, if any, any Additional Seller) will either (i) sell additional Eligible Assets to the Guarantor for an amount sufficient to allow the relevant Test(s) to be met on the next following Test Calculation Date, and finance such purchase by means of Term Loans to be granted by the relevant Seller; or (ii) substitute any relevant Assets in respect of which the right of repurchase may be exercised under the terms of the Master Assets Purchase Agreement with new Eligible Assets, for an amount sufficient to allow the relevant Test(s) to be met on the next following Test Calculation Date.

After the service of an Issuer Default Notice on the Guarantor, but prior to the service of a Guarantor Default Notice, the Guarantor may or shall, if necessary in order to effect timely payments under the Covered Bonds, sell Selected Assets included in the Cover Pool in accordance with the terms of the Cover Pool Management Agreement and BMPS, or any Additional Seller(s), as the case may be, has the right of pre-emption to buy such Selected Assets.

Subject to the provisions of the Cover Pool Management Agreement, the Guarantor has irrevocably granted, pursuant to Article 1331 of the Civil Code, to the Main Seller and any Additional Seller (if any) an option right pursuant to which the Main Seller and any Additional Seller (if any) shall have the right, prior to the occurrence of an Issuer Event of Default, to substitute each of the Eligible Assets included in the Cover Pool with other Eligible Assets, solely upon the occurrence of a breach of the Tests (prior to the issuance of an Issuer Default Notice) and for the sole purpose of remedying the breach of one of the Tests, it being understood that, in case of breach of the Liquidity Reserve Requirement, the Main Seller and any Additional Seller (if any) shall have the option to substitute each of the Eligible Assets included in the Cover Pool, in order to remedy to such breach, with Liquidity Assets only. The substitution may be carried out only in accordance with the applicable provisions, including secondary regulations, from time to time applicable to the issuance of covered bonds.

For further details about the Cover Pool, see section headed "*Description of the Cover Pool*".

### *Governing law*

The Master Assets 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.

### COVER POOL MANAGEMENT AGREEMENT

On 23 May 2012, the Issuer, the Main Seller, the Main Servicer, the Test Calculation Agent, the Main Subordinated Lender, the Guarantor, the Guarantor Calculation Agent and the Representative of the Bondholders entered into the Cover Pool Management Agreement, as amended and restated from time to time, pursuant to which they have agreed certain terms regulating, *inter alia*, the performance of the Tests and the purchase and sale by the Guarantor of the Eligible Assets included in the Cover Pool.

Under the Cover Pool Management Agreement relevant parties thereto agreed that, starting from the First Issue Date and until the date on which all Series or Tranche of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms, the Issuer and any Additional Seller(s) (if any) shall ensure that (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Test and/or the Liquidity Reserve Requirement was breached, each of the Mandatory Tests, being (i) the Nominal Value Test, (ii)

the Net Present Value Test and (iii) the Interest Coverage Test, and the Liquidity Reserve Requirement are satisfied with respect of the Cover Pool in accordance with Law 130 and the provisions of the Cover Pool Management Agreement.

In addition, the Guarantor has undertaken to procure that starting from the date on which an Issuer Default Notice is delivered and until the earlier of: (a) the date on which all Series or Tranche of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms; and (b) the date on which a Guarantor Default Notice is delivered, the Amortisation Test (as described in detail in section "*Credit structure – Tests*" below) is met with respect to the Cover Pool on any Quarterly Test Calculation Date, provided that, in case the Issuer Event of Default consists of an Article 74 Event, no Article 74 Event Cure Notice has been served.

The Amortisation Test shall not apply if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

The Test Calculation Agent has agreed to prepare and deliver, on each Test Performance Report Date, to the Issuer, the Guarantor, the Representative of the Bondholders, the Guarantor Calculation Agent, the Asset Monitor, the Main Seller (and any Additional Seller(s), if any), the Main Servicer (and any Additional Servicer(s), if any), a Test Performance Report setting out the calculations carried out by it with respect to the applicable Tests.

In case of determination by the Test Calculation Agent that a breach of any of any of the Tests has occurred, the Guarantor shall purchase Eligible Assets in an aggregate amount sufficient to ensure that, as of the Test Calculation Date or Quarterly Test Calculation Date falling at the end of the Test Grace Period or Test Remedy Period, as appropriate, all the Tests are satisfied with respect to the Cover Pool (it being understood that, in case of breach of the Liquidity Reserve Requirement, the relevant Eligible Asset(s) can be replaced only with Liquidity Assets).

The undertaking to sell Eligible Assets shall be borne by the Main Seller and/or the Additional Seller(s) upon consultation with each other and ultimately, to the extent no other Seller has assigned any Eligible Assets to the Guarantor, by the Main Seller. To the extent that either the Main Seller and/or the Additional Seller(s) will be unable to offer for sale to the Guarantor Eligible Assets in an amount sufficient to ensure that the relevant Tests are then met, each of them shall promptly inform the Guarantor.

For the purpose of allowing the Guarantor to fund the purchase of such Eligible Assets, each Seller, in its capacity as Subordinated Lender, undertakes to advance to the Guarantor a Term Loan in accordance with the relevant Subordinated Loan Agreement in an amount equal to: (a) prior to the delivery of a Test Performance Report showing that any of the Tests was breached, the portion of the relevant purchase price for the relevant Eligible Assets to be transferred by such Seller not payable by the Guarantor applying any Guarantor Available Funds available for such purpose in accordance with the Pre-Issuer Default Principal Priority of Payments; and (b) following the delivery of a Test Performance Report showing that any of the Tests was breached, the entire purchase price for the relevant Eligible Assets to be transferred by such Seller.

Following the notification by the Test Calculation Agent that the Mandatory Tests and/or the Asset Coverage Test have been breached, if the relevant breach is not remedied in accordance relevant provisions of the Cover Pool Management Agreement prior to the end of the applicable Test Grace Period according to the information included in the relevant Pre-Issuer Default Test Performance Report, then the Representative of the Bondholders shall promptly, and in any case within 5 calendar days from the end of the Test Grace Period, deliver a Breach of Tests Notice to the Issuer, the Guarantor and, for information purpose, the Guarantor Calculation Agent, the Main Seller and any

Additional Seller (if any), the Main Servicer and any Additional Servicer (if any), as a consequence of which a Segregation Event will occur.

Following the delivery of a Breach of Tests Notice, but prior to the delivery of an Issuer Default Notice, if within the Test Remedy Period the relevant Mandatory Tests and/or the Asset Coverage Test is/are met according to the information included in the relevant Test Performance Report (unless any other Segregation Event has occurred and is outstanding and without prejudice to the obligation of the Representative of the Bondholders to deliver a subsequent Breach of Tests Notice at any time thereafter to the extent a further Segregation Event occurs), the Representative of the Bondholders will promptly, and in any case within 5 calendar days from the relevant Test Performance Report, deliver to the parties indicated in the Cover Pool Management Agreement a Breach of Tests Cure Notice, informing such parties that the Breach of Tests Notice then outstanding has been revoked.

The parties to the Cover Pool Management Agreement have also acknowledged and agreed the consequences deriving from the delivery of an Issuer Default Notice and/or a Guarantor Default Notice. In particular, after the service of an Issuer Default Notice, but prior to the service of a Guarantor Default Notice, the Guarantor or a duly appointed Portfolio Manager may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell or otherwise liquidate the Eligible Assets included in the Cover Pool in accordance with the Cover Pool Management Agreement, subject to the rights of pre-emption in favour of the relevant Seller(s) to buy such Eligible Assets pursuant to the Master Assets Purchase Agreement. The relevant Eligible Assets (the "**Selected Assets**") to be sold will be selected from the Cover Pool on a random basis by the Main Servicer on behalf of the Guarantor on the condition that the Amortisation Test (if applicable) is complied with prior to and after the sale of such Selected Assets, but it being understood that the Amortisation Test will not apply if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

Under the terms of the Cover Pool Management Agreement, before offering Selected Assets for sale, the Guarantor shall ensure that the Selected Assets have an aggregate Expected Net Proceeds as close as possible equal to:

(a) the Euro Equivalent of the Principal Amount Outstanding in respect of the Earliest Maturing Covered Bonds; *minus*

(b) amounts standing to the credit of the Guarantor's Accounts as of the relevant Guarantor Calculation Date,

excluding, with respect to item (b) above, all amounts estimated to be applied on the next following Guarantor Payment Date to pay items ranking higher in the applicable Priority of Payments to the amounts required to repay any Series or Tranche of Covered Bonds which become due on the same date as the Earliest Maturing Covered Bonds, provided that the Cover Pool Management Agreement shall always be respected.

The Guarantor will offer the Selected Assets for sale for the best price reasonably available, but in any event for an amount not less than the Expected Net Proceeds.

In addition, upon the evaluation carried out by the Portfolio Manager, taking into account the then relevant market conditions, the Guarantor may sell Selected Assets for an amount equal to the Expected Net Proceeds calculated in respect of any other Series or Tranche of Covered Bonds then outstanding, rather than in respect of the Earliest Maturing Covered Bonds only. Furthermore, if the Selected Assets have not been sold in an amount equal to the Expected Net Proceeds by the date which is six months prior to, as applicable, the Maturity Date (if the relevant Series or Tranche of Covered Bonds is not subject to an Extended Maturity Date) or the Extended Maturity Date (if the relevant Series or Tranche of Covered Bonds is subject to an Extended Maturity Date) of the Earliest Maturing Covered Bonds, and the Guarantor does not have sufficient other funds standing to the credit of the Guarantor's

Accounts available to repay the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), then the Guarantor will offer the Selected Assets for sale for the best price reasonably available notwithstanding that such amount may be less than the Expected Net Proceeds.

The Guarantor may offer for sale part of any portfolio of Selected Assets (a "**Partial Portfolio**"), if beneficial to the Programme.

With respect to any sale to be carried out in accordance with the Cover Pool Management Agreement, the Guarantor will, through a tender process, appoint a Portfolio Manager of recognised standing on a basis intended to incentivise the Portfolio Manager to achieve the best price for the sale of the Selected Assets (if such terms are commercially available in the market) and to advise it in relation to the sale of the Selected Assets to purchasers (except where any of the Main Seller and any Additional Seller (if any) is buying the Selected Assets in accordance with its right of pre-emption under the Master Assets Purchase Agreement).

Under the Cover Pool Management Agreement, following the delivery by the Representative of the Bondholders of a Guarantor Default Notice, the Guarantor may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell or otherwise liquidate the Eligible Assets included in the Cover Pool, provided that the Guarantor will instruct the Portfolio Manager to use all reasonable endeavours to procure that such sale is carried out as quickly as reasonably practicable taking into account the market conditions at that time.

Under the Cover Pool Management Agreement, the parties thereto have acknowledged that, prior to the occurrence of a Segregation Event, or if earlier, an Issuer Event of Default, the Main Seller and each Additional Seller (if any), will have the right to repurchase Excess Assets transferred to the Guarantor provided that no Tests may be breached as a result of any repurchase under such clause and any such purchase may occur only in accordance with any relevant law, regulation or interpretation of any authority (including, for the avoidance of doubts, the Bank of Italy or the Minister of Economy and Finance) which may be enacted with respect to Law 130 and the Bank of Italy Regulation.

For further details, see section "*Credit structure - Tests*" below.

### *Governing law*

The Cover Pool Management 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.

## WARRANTY AND INDEMNITY AGREEMENT

On 30 April 2012, BMPS, in its capacity as Main Seller and the Guarantor entered into the Warranty and Indemnity Agreement, as amended and restated from time to time, pursuant to which BMPS has given certain representations and warranties in favour of the Guarantor in respect of, *inter alia*, itself, the Eligible Assets and certain other matters in relation to the issue of the Covered Bonds and has agreed to indemnify the Guarantor in respect of certain liabilities of the Guarantor that may be incurred, *inter alia*, in connection with the purchase and ownership of the Eligible Assets.

The Warranty and Indemnity Agreement contains representations and warranties given by BMPS as to matters of law and fact affecting BMPS including, without limitation, that BMPS validly exists as a legal entity, has the corporate authority and power to enter into the Programme Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations for such purpose.

Pursuant to the Warranty and Indemnity Agreement, the Main Seller (and each Additional Seller, if any) has agreed to indemnify and hold harmless the Guarantor, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or

incurred by such parties which arise out of or result from, *inter alia*, (a) a default by BMPS in the performance of any of its obligations under any Programme Document to which it is a party; (b) any representation and warranty given by BMPS under or pursuant to the Warranty and Indemnity Agreement being false, incomplete or incorrect; (c) any alleged liability and/or claim raised by any third party against the Guarantor, as owner of the Receivables, which arises out of any negligent act or omission by BMPS in relation to the Receivables, the servicing and collection thereof or from any failure by BMPS to perform its obligations under any of the Programme Documents to which it is, or will become, a party; (d) the non compliance of the terms and conditions of any Mortgage Loan with the provisions of article 1283 of the Italian civil code; (e) the fact that the validity or effectiveness of any security, pledge, collateral or other security interest, relating to the Mortgage Loans, has been challenged by way of claw-back (*azione revocatoria*) or otherwise, including, without limitation, pursuant to article 166 of the Business Crisis and Insolvency Code; (f) any amount of any Receivable not being collected or recovered by the Guarantor as a consequence of the proper and legal exercise by any Debtor and/or insolvency receiver of a Debtor of any grounded right to termination, annullability or withdrawal, or other claims and/or counterclaims, including set off, against BMPS in relation to each Mortgage Loan Agreement, Mortgage Loan, Mortgage, Collateral Security and any other connected act or document, including, without limitation, any claim and/or counterclaim deriving from non-compliance with the Usury law provisions in the granting of the Mortgage Loan.

*Governing law*

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.

MASTER SERVICING AGREEMENT

On 30 April 2012, BMPS, in its capacity as Main Servicer, and the Guarantor entered into the Master Servicing Agreement, as amended and restated from time to time, pursuant to which (i) the Guarantor has appointed BMPS as Main Servicer to carry out the administration, management, collection and recovery activities relating to the Eligible Assets comprised in each portfolio to be transferred in accordance with the Master Assets Purchase Agreement and to act as "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to article 2, sub-paragraph 3, of Law 130, and (ii) they have agreed, in case an Additional Seller will enter into the Programme, the terms of the appointment of such Additional Seller to act as Additional Servicer in relation to the administration, management and collection activities related to the Eligible Assets forming part of each New Portfolio transferred to the Guarantor by such Additional Seller.

The receipt of the Collections is the responsibility of each Servicer, acting as agent (*mandatario*) of the Guarantor in relation to the Assets transferred by it to the Guarantor. Under the Master Servicing Agreement, each Servicer shall (i) credit to the relevant Collection Account any and all Collections related to the relevant Eligible Assets within the Business Day immediately following receipt, and (ii) starting from the First Issue Date, within one Business Day from the day on which the relevant Collections have been credited to the relevant Collection Account, credit the relevant amounts to the Main Programme Account.

Each Servicer will also be responsible for carrying out, on behalf of the Guarantor, in accordance with the Master Servicing Agreement and the Credit and Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables and UTP Receivables. The Servicer may sub- delegate to one or more entities, further activities in addition to those indicated in sup-paragraph (i) above, subject to the limitations set out in the supervisory regulations and with the prior written notice to the Guarantor, the Representative of the Bondholders and the Rating Agency, provided that such subdelegation does not prejudice the compliance by the relevant Servicer with its obligations under the Master Servicing Agreement.

Each Servicer shall remain fully liable vis-à-vis the Guarantor for the performance of any activity so delegated.

Each Servicer has been authorised, prior to a breach of the Tests and serving of a Breach of Tests Notice and/or Issuer Default Notice to the Issuer and Guarantor, to reach with the Debtors any settlement agreements or payment extensions or moratorium or similar arrangements (including any renegotiation in relation to the interest rates and margins), in accordance with the provisions of the Credit and Collection Policy.

Following (i) a breach of the Tests and until such breach is continuing, or (ii) the delivery to the Guarantor and Issuer of an Issuer Default Notice and/or Breach of Tests Notice, the Servicer(s) will not be authorised to reach settlement agreements with any relevant Debtors, to grant any release with respect to the Receivables or enter into any amendment to the Mortgage Loan Agreements, save where required by any applicable laws or expressly authorised by the Guarantor.

The Main Servicer, in relation to its servicing activities pursuant to the Master Servicing Agreement, has confirmed its willingness to be the autonomous holder (*titolare autonomo del trattamento dei dati personali*) together with the Guarantor, for the processing of personal data in relation to the Receivables, pursuant to the Privacy Law and to be responsible, in such capacity, for processing such data.

Pursuant to the Master Servicing Agreement: (i) each Additional Servicer shall prepare and deliver to the Main Servicer the Monthly Servicer's Report and the Quarterly Servicer's Report, in either case referring to the Portfolios transferred by it to the Guarantor; and (ii) the Main Servicer shall:

(a) prepare its own Monthly Servicer's Report, referring to the New Portfolios transferred by it to the Guarantor, and deliver it to, *inter alios*, the Guarantor, any Swap Providers, the Back-up Servicer Facilitator and/or the Back-up Servicer (if any) and the Representative of the Bondholders together with the Monthly Servicer's Reports prepared by each Additional Servicer; and

(b) prepare and deliver to, *inter alios*, the Guarantor, any Swap Providers, the Back-up Servicer Facilitator and/or the Back-up Servicer (if any), the Rating Agency and the Representative of the Bondholders a Consolidated Quarterly Servicer's Report which shall include, together with the information relating to the Portfolios transferred by the Main Seller to the Guarantor, the information contained in the Quarterly Servicer's Reports prepared by the each Additional Servicer.

Furthermore, pursuant to clause 6.3 of the Master Servicing Agreement, if the Transaction Accounts are transferred to a New Italian Account Bank in accordance with clauses 5.6.2 and 12.4.2 of the Cash Allocation, Management and Payments Agreement and the Guarantor Payment Dates are to be settled monthly in accordance with letter (a), sub-paragraph (ii) of the definition of "*Guarantor Payment Date*", the Main Servicer will prepare and deliver to, *inter alios*, the Guarantor, any Swap Providers, the Rating Agency and the Representative of the Bondholders a Consolidated Monthly Servicer's Report which will include, together with the information relating to the Portfolios transferred by the Main Seller to the Guarantor, the information contained in the Monthly Servicer's Reports prepared by the each Additional Servicer.

In addition, pursuant to clause 10 of the Master Servicing Agreement:

(i) within 45 (forty-five) calendar days upon the DBRS Long Term Critical Obligation Rating (COR) of the Main Servicer's unsecured, unsubordinated and unguaranteed debt obligations falling below "**BBB** (**low**)" from Morningstar DBRS, the Guarantor shall, in consultation with the Main Servicer and the Representative of the Bondholders, appoint a back-up servicer facilitator (the

"**Back-up Servicer Facilitator**") subject to the prior communication from the Guarantor to the Representative of the Bondholders and the Rating Agency; and

(ii) within 60 (sixty) calendar days upon the DBRS Long Term Critical Obligation Rating (COR) of the Main Servicer's unsecured, unsubordinated and unguaranteed debt obligations falling below "**BB** (**high**)" from Morningstar DBRS, the Guarantor in accord with the Back-up Servicer Facilitator shall, in consultation with the Main Servicer, appoint a back-up servicer (the "**Backup Servicer**") subject to the prior communication from the Guarantor to the Representative of the Bondholders and the Rating Agency.

The Back-up Servicer would automatically succeed to the Servicer, within a term to be agreed with the Back-up Servicer, which shall not prejudice the rating assigned to the Covered Bonds in accordance with the criteria of the Rating Agency, upon occurrence of a Servicer Insolvency Event, and upon termination or resignation of the Servicer pursuant to the Master Servicing Agreement.

The Guarantor may terminate a Servicer's appointment and appoint a successor servicer (the "**Substitute Servicer**") if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include, *inter alia*, the following events:

(a) failure on the part of the relevant Servicer(s) to deposit or pay any amount required to be paid or deposited, which failure continues for a period of 5 Business Days following receipt by the Servicer of a written notice from the Guarantor requiring the relevant amount to be paid or deposited;

(b) failure on the part of the relevant Servicer(s) to observe or perform any other term, condition, covenant or agreement provided for under the Master Servicing Agreement and the other Programme Documents to which it is a party, and the continuation of such failure for a period of 10 Business Days following receipt by the relevant Servicer(s) of written notice from the Guarantor, provided that a failure ascribable to any entities delegated by the Servicer in accordance with the Master Servicing Agreement shall not constitute a Servicer Termination Event;

(c) a Servicer Insolvency Event occurs with respect to the relevant Servicer;

(d) it becomes unlawful for the relevant Servicer(s) to perform or comply with any of its obligations under the Master Servicing Agreement or the other Programme Documents to which it is a party;

(e) 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 servicers in the context of a covered bonds transaction.

Notice of any termination of the Servicer's appointment shall be given in writing, in accordance with the provisions of the Master Servicing Agreement, by the Guarantor to the relevant Servicer, the Main Servicer and the Rating Agency, with the prior agreement of the Representative of the Bondholders and shall be effective from the date of such termination or, if later, when the appointment of a Substitute Servicer becomes effective. The relevant Servicer must continue to act as Servicer and meet its obligations until the Substitute Servicer is appointed, provided that the relevant Servicer will continue to operate as the bank authorised to hold the Collection Account where the Collections are paid by the Debtors in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, save for the case the relevant Servicer's appointment was terminated following the occurrence of a Servicer Insolvency Event.

The Guarantor may, upon the occurrence of a Servicer Termination Event, appoint as Substitute Servicer any person which *inter alia*:

(a) meets the requirements of Law 130 and the Bank of Italy to act as Servicer;

(b) has a experience (whether directly or through subsidiaries) in the administration of mortgage

loans in Italy;

(c) has available and is able to use, in the carrying out of the administration of the loans, software and hardware utilities which are compatible with those used until the revocation by the relevant Servicer(s) and, in any case, who has access to proper technologies and human resources for the carrying out of the relevant collection and recovery activities relating to the Receivables and the proceeds deriving from the Securities, and perform all other obligations in compliance with the standards provided by the Master Servicing Agreement and the Bank of Italy supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*).

Pursuant to the Master Servicing Agreement the Servicer shall not be entitled to resign from its appointment as Servicer prior to the Expiry Date.

*Governing law*

The Master 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.

CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On 23 May 2012, the Issuer, the Main Servicer, the Italian Account Bank, the Cash Manager, the Guarantor, the Guarantor Calculation Agent, the Guarantor Corporate Servicer and Representative of the Bondholders entered into the Cash Allocation, Management and Payments Agreement, as amended and restated from time to time.

Under the terms of the Cash Allocation, Management and Payments Agreement, *inter alia*:

(i) the Guarantor has appointed BMPS as Italian Account Bank and Cash Manager;

(ii) the Guarantor has appointed CACIB as Additional Account Bank;

(iii) the parties thereto have acknowledged that BMPS will act as Principal Paying Agent for the Covered Bonds until the delivery of an Issuer Default Notice or a Guarantor Default Notice, *provided that*,

(a) following delivery of an Issuer Default Notice and/or a Guarantor Default Notice, the Guarantor will appoint, before the immediately following Guarantor Payment Date - to the extent possible - and in any case within 30 Business Days, subject to the prior consent of the Main Servicer, a substitute Principal Paying Agent. The appointment and accession of the substitute Principal Paying Agent will be notified by the Guarantor to the Rating Agency;

(b) pending the appointment of the substitute Principal Paying Agent, BMPS will continue to act as the existing Principal Paying Agent and meet and perform its obligations in such a capacity, until the successor Principal Paying Agent has been duly appointed; and

(c) if a New Italian Account Bank (as defined below) is already appointed by the time the relevant Issuer Default Notice and/or Guarantor Default Notice was delivered, the New Italian Account Bank will automatically succeed to BMPS as a successor Principal Paying Agent and, if not already transferred to it, the Italian Account Bank will procure the prompt transfer to the New Italian Account Bank of the Payments Account;

(iv) the Italian Account Bank has agreed (a) to establish and maintain, in the name and on behalf of the Guarantor, the BMPS Italian Collection Account, the Main Programme Account, the Reserve Account, the Expenses Account, the Payments Account and the Eligible Investments Securities Account and to provide the Guarantor with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such accounts; (b) that it will make payments on behalf of the Guarantor in favour of the Other Guarantor Creditors;

(v) the Guarantor Corporate Servicer has agreed to operate the Expenses Account in order to make certain payments as set out in the Cash Allocation, Management and Payment Agreement;

(vi) the Guarantor Calculation Agent has agreed to provide the Guarantor with calculation services with respect to the Accounts and the Guarantor Available Funds and prepare and deliver to the Main Servicer for such purpose the Payments Report, which shall, *inter alia* (i) take into account any calculations made under any Swap Agreements in relation to payments due or to become due by the next following Calculation Date; and (ii) reflect the occurrence of any (a) Segregation Event if a Breach of Tests Notice has been delivered and/or (b) any Issuer Event of Default if an Issuer Default Notice has been delivered; and

(vii) the Cash Manager has agreed to procure that any credit balance from time to time standing to the credit of the Main Programme Account, the Reserve Account and/or any other Guarantor's Account (other than the Expense Account) is invested in Eligible Investments. The Guarantor will pledge in favour of the Bondholders and the Other Guarantor Creditors, from time to time, the Eligible Investments.

Furthermore, the parties to the Cash Allocation, Management and Payments Agreement, have agreed that:

(i) following the delivery of an Issuer Default Notice in respect of any Series or Tranche of Covered Bonds and the deferral of the Maturity Date relating to such Series or Tranche of Covered Bonds to the Long Due for Payment Date, the Italian Account Bank will open a dedicated account with an Eligible Institution which is not part of the Montepaschi Group (the "**Amortisation Reserve Account**"), for the purpose of accumulating the Final Redemption Amount relating to any other Series or Tranche of Covered Bonds in respect of which the relevant Maturity Date has not occurred. The Italian Account Bank will create and maintain ledgers on the Amortisation Reserve Account for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with the Guarantee Priority of Payments and such amounts, once allocated, will only be available to pay amounts due in respect of the relevant Series of Covered Bonds on, and from, the relevant Maturity Date and up to the Extended Maturity Date. The Guarantor will pledge and create a Security Interest in favour of the Bondholders and the Other Guarantor Creditors over the Amortisation Reserve Account and the sums from time to time deposited thereon;

(ii) also in accordance with the Master Servicing Agreement, if the DBRS Long Term Critical Obligation Rating (COR) of the Servicer or BMPS falls below "**BBB (Low)**" from Morningstar DBRS, the Guarantor may from time to time open one or more additional accounts (the "**Commingling Reserve Account**") for the purpose of crediting the Commingling Reserve Amount, up to the Target Commingling Amount in accordance with the applicable Priority of Payments, or other amounts required pursuant to the Programme Documents;

(iii) in addition to the Commingling Reserve Account and the Amortisation Reserve Account, the Guarantor may open, from time to time, one or more additional accounts for the purpose of crediting amounts required pursuant to the Programme Documents, provided that the Rating Agency is notified in advance of the opening of any such accounts;

(iv) it is **provided that**:

(a) if there were not sufficient Guarantor Available Funds to deposit timely the Commingling Reserve Amount referred in paragraph (ii) above up to the value of the Target Commingling Amount, Banca Monte dei Paschi di Siena S.p.A. in relation to the capacity of Servicer carried out, will (i) open an additional Commingling Reserve Account in the name of the Guarantor with an Eligible Institution, which is not part of the Montepaschi Group, and (ii)

deposit and/or supplement, as soon as feasible and in any case within 30 calendar days from the relevant downgrading event, the Commingling Reserve Amount up to the Target Commingling Amount, for the benefit of the Guarantor, in the form of an irregular pledge (pegno irregolare). BMPS will create the irregular pledge as a security for the Servicer's obligations to transfer the Collections to the Guarantor, pursuant to article 1851 of the Italian civil code;

(b) the Guarantor will, contextually to the deposit of the Commingling Reserve Amount on the Commingling Reserve Account above, (i) pledge and create a Security Interest in favour of the Bondholders and the Other Guarantor Creditors over the Commingling Reserve Account and the sums from time to time deposited thereon;

(c) however, should the Potential Commingling Amount be entirely deducted from the Asset Coverage Test pursuant to clause 4 (Asset Coverage Test) of the Cover Pool Management Agreement, or should at any time the DBRS Long Term Critical Obligation Rating (COR) of the Servicer or BMPS become equal to or higher than "**BBB (Low)**" by Morningstar DBRS, then: (i) the Commingling Reserve Account and any sums deposited thereon shall be deemed to be released from any Security Interest; (ii) the amounts deposited on the Commingling Reserve Account by the Guarantor will be returned and comprised in the Guarantor Available Funds; (iii) any amounts deposited on the Commingling Reserve Account by BMPS will be automatically released from any Security Interest and retransferred directly to BMPS; (iv) the Commingling Reserve Account may be closed;

(v) furthermore, if (i) the long-term rating of the Italian Account Bank falls below (i) "**BBB**" from Morningstar DBRS, should the rating assigned to the Covered Bonds be "**A**" from Morningstar DBRS, or (ii) "**BBB (low)**" from Morningstar DBRS, should the rating assigned to the Covered Bonds be "**A (low)**" from Morningstar DBRS, or (ii) the appointment of the Italian Account Bank was terminated for whatsoever reason, or (iii) following the delivery of an Issuer Default Notice:

(a) the Italian Account Bank will promptly give notice of such event to the other parties;

(b) the Guarantor will, within 30 calendar days from the downgrading event, appoint a new Italian account bank (the "**New Italian Account Bank**") for the purpose of maintaining the Transaction Accounts (excluding, for avoidance of doubt, the Italian Collection Account), until the date upon which all Series or Tranche of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms; and

(c) the Italian Account Bank will use its best efforts to assist the Guarantor and procure within 30 calendar days from the relevant downgrading event the transfer of the moneys and/or securities standing to the credit of the Transaction Accounts (other than, for avoidance of doubt, the Italian Collection Account) held by itself to the New Italian Account Bank, which shall assume its role upon the terms of the Cash Allocation, Management and Payments Agreement and agree to become a party to the Intercreditor Agreement and any other relevant Programme Document,

**provided that** should the rating assigned to the Italian Account Bank become equal to or higher than (i) "**BBB**" from Morningstar DBRS, should the rating assigned to the Covered Bonds be "A" from Morningstar DBRS, or (ii) "**BBB (low)**" from Morningstar DBRS, should the rating assigned to the Covered Bonds be "**A (low)**" from Morningstar DBRS, BMPS and the New Italian Account Bank will be entitled – but not obliged – to agree and cooperate with the Guarantor to procure the re-transfer to BMPS, in the capacity of Italian Account Bank, of the moneys and/or securities standing to the credit of the Transaction Accounts held by the New Italian Account Bank in accordance with the Cash allocation, Management and Payments Agreement and the Programme Documents;

should a Servicer's Insolvency Event occur affecting BMPS in accordance with clause 11.1.1 of the Master Servicing Agreement, the Italian Account Bank will use its best efforts to assist the Guarantor and procure the immediate transfer of the moneys standing to the credit of the Italian Collection Account held by it to the New Italian Account Bank or, should the New Italian Account Bank no longer be, at that time, an Eligible Institution, to another bank selected by the Guarantor, being an Eligible Institution, which will assume the role of New Italian Account Bank upon the terms of the Cash Allocation, Management and Payments Agreement and agree to become a party to the Intercreditor Agreement and any other relevant Programme Document.

The Guarantor may (with the prior approval of the Representative of the Bondholders) revoke its appointment of any Agent, by giving not less than three months' (or less in the event of a breach of warranties and covenants) written notice to the relevant Agent (with a copy to the Representative of the Bondholders), regardless of whether an Issuer Event of Default or a Guarantor Event of Default has occurred. Any Agent may resign from its appointment under the Cash Allocation, Management and Payment Agreement, upon giving not less than three months' (or such shorter period as the Representative of the Bondholders may agree) prior written notice of termination to the Guarantor, the Rating Agency and the Representative of the Bondholders subject to and conditional upon certain conditions set out in the Cash Allocation, Management and Payment Agreement, provided that a valid substitute has been appointed.

On 17 July 2023, the Parties entered into a master amendment agreement (the "**Master Amendment Agreement**") to, *inter alia*, agree upon the following actions: (i) the appointment by the Guarantor of CACIB as Additional Account Bank and the opening by the Guarantor with the latter of the Additional Reserve Account as set forth under the Master Amendment Agreement; (ii) the accession of CACIB to the Cash Allocation, Management and Payments Agreement, the Intercreditor Agreement, the Master Definitions Agreement and the other Programme Documents to which it should be a party as Additional Account Bank of the Programme; (iii) the entering into by the Issuer and the Guarantor of the CACIB Account Pledge Agreement.

Under the Master Amendment Agreement, the Parties agreed that:

i) the operation of the Reserve Account and the Additional Reserve Account will be alternative and, therefore, (i) so long the Issuer will not meet the eligibility criteria provided for under article 129, paragraph 1a, letter (c) of the CRR (such eligibility criteria, the "**CQS3 Condition**"), only the Additional Reserve Account will be operating, and (ii) if and starting from the date on which the CQS3 Condition is met, only the Reserve Account will be operating;

ii) in all Programme Documents, any reference to the Italian Account Bank as account bank where the Reserve Account is opened refers also to CACIB as account bank where the Additional Reserve Account is opened, also with regard to any payments due under the applicable Priority of Payments (including by way of example but not limited to, (a) item (*Third*) of the Pre-Issuer Default Interest Priority of Payments under Clause 7.1.1 (*Pre-Issuer Default Interest Priority of Payments*) of the Intercreditor Agreement, (b) item (*Third*) of the Guarantee Priority of Payments under Clause 7.2 (*Guarantee Priority of Payments*) of the Intercreditor Agreement, and (c) item (*Third*) of the Post-Enforcement Priority of Payments under Clause 7.3 (*Post-Enforcement Priority of Payments*) of the Intercreditor Agreement); and

iii) in all Programme Documents, any reference to the Reserve Account refers to (i) the Additional Reserve Account, so long the CQS3 Condition is not met, and (ii) the Reserve Account, if and so long the CQS3 Condition is met, also with regard to the sum to be credited therein under the applicable Priority of Payments (including by way of example but not limited to, (a) item (*Sixth*) of the Pre-Issuer Default Interest Priority of Payments under Clause 7.1.1 (*Pre-Issuer Default Interest Priority of Payments*) of the Intercreditor Agreement, and (b) item (*Fifth*) of the Guarantee Priority of Payments under Clause 7.2 (*Guarantee Priority of Payments*) of the Intercreditor Agreement).

*Governing law*

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.

MANDATE AGREEMENT

On 23 May 2012, the Guarantor and the Representative of the Bondholders entered into the Mandate Agreement, as amended and restated from time to time, under which, subject to a Guarantor Default Notice being served or upon failure by the Guarantor to exercise its rights under the Programme Documents and fulfilment of certain conditions, the Representative of the Bondholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Guarantor, all the Guarantor's non-monetary rights arising out of the Programme Documents to which the Guarantor is a party.

*Governing law*

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.

INTERCREDITOR AGREEMENT

On 23 May 2012, the Guarantor and the Other Guarantor Creditors entered into the Intercreditor Agreement, as amended and restated from time to time. Under the Intercreditor Agreement provision is made as to the application of the proceeds from Collections in respect of the Cover Pool and as to the circumstances in which the Representative of the Bondholders will be entitled, in the interest of the Bondholders, to exercise certain of the Guarantor's rights in respect of the Cover Pool and the Programme Documents.

In the Intercreditor Agreement the Other Guarantor Creditors have agreed, *inter alia*: to the order of priority of payments to be made out of the Guarantor Available Funds; that the obligations owed by the Guarantor to the Bondholders and, in general, to the Other Guarantor Creditors are limited recourse obligations of the Guarantor; and that the Bondholders and the Other Guarantor Creditors have a claim against the Guarantor only to the extent of the Guarantor Available Funds.

Under the terms of the Intercreditor Agreement, the Guarantor has undertaken, following the service of a Guarantor Default Notice, to comply with all directions of the Representative of the Bondholders, acting pursuant to the Terms and Conditions, in relation to the management and administration of the Cover Pool.

Each of the Other Guarantor Creditors has agreed in the Intercreditor Agreement that in the exercise of its powers, authorities, duties and discretions the Representative of the Bondholders shall have regard to the interests of both the Bondholders and the Other Guarantor Creditors but if, in the opinion of the Representative of the Bondholders, there is a conflict between their interests the Representative of the Bondholders will have regard solely to the interests of the Bondholders. The actions of the Representative of the Bondholders will be binding on each of the Other Guarantor Creditors.

Under the Intercreditor Agreement, each of the Other Guarantor Creditors has appointed the Representative of the Bondholders, as their agent (*mandatario con rappresentanza*), so that the Representative of the Bondholders may, in their name and behalf and also in the interests of and for the benefit of the Bondholders (who make a similar appointment pursuant to the Programme Agreements and the Terms and Conditions), *inter alia*, enter into the Deed of Pledge and the Account Pledge Agreement. The Representative of the Bondholders is exempted from the obligation of reporting (*obbligo di rendiconto*) pursuant to article 1713 of the Italian civil code on the actions taken in the carrying out of such mandates. In such capacity, the Representative of the Bondholders, with effect

from the date when the Covered Bonds have become due and payable (following a claim to the Guarantor or a demand under the Guarantee in the case of an Issuer Event of Default or Guarantor Event of Default or the enforcement of the Guarantee if so instructed by the Bondholders or the exercise of any other rights of enforcement conferred to the Representative of the Bondholders), may exercise all of the Bondholders and Other Guarantor Creditors' right, title and interest in and to and in respect of the assets charged under the Deed of Pledge, the Account Pledge Agreement and the Deed of Charge (if any) and do any act, matter or thing which the Representative of the Bondholders considers necessary for the protection of the Bondholders and Other Guarantor Creditors' rights under any of the Programme Documents including the power to receive from the Issuer or the Guarantor any and all moneys payable by the Issuer or the Guarantor to any Bondholder or Other Guarantor Creditors. In any event, the Representative of the Bondholders shall not be bound to take any of the above steps unless it has been indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

The parties to the Intercreditor Agreement have acknowledged and agreed that any Additional Seller may assign Eligible Assets to the Guarantor, subject to satisfaction of certain conditions which will include the execution and/or accession to certain Programme Documents or other acts, deeds, documents. Any such Additional Seller may become party to the Intercreditor Agreement from time to time by signing an accession letter and, in addition, any Additional Seller(s) shall be required to assume certain specific undertakings as the continuation of the Programme, or any provision of law, may require (including, but not limited to, assuming the same undertakings of the Issuer and the Main Seller set out in the Cover Pool Management Agreement and/or in the Subordinated Loan Agreement and/or in the Master Servicing Agreement, as the case may be.

*Governing law*

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.

CORPORATE SERVICES AGREEMENT

Under the Corporate Services Agreement entered into on 23 May 2012, as amended and restated from time to time, between the Guarantor Corporate Servicer and the Guarantor, the Guarantor Corporate Servicer has agreed to provide certain corporate and administrative services to the Guarantor.

*Governing law*

The Corporate Services 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.

PROGRAMME AGREEMENT

On 23 May 2012, the Issuer, the Guarantor, the Representative of the Bondholders and the Dealer(s), entered into the Programme Agreement, as amended and restated from time to time, pursuant to which the parties thereto have recorded the arrangements agreed between them in relation to the issue by the Issuer and the subscription by the Dealer(s) from time to time of Covered Bonds issued under the Programme.

On or about 7 December 2023, Banca Finanziaria Internazionale S.p.A. acceded into the Programme Agreement as Initial Dealer of the Programme, following the merger by incorporation of MPS Capital Services S.p.A. into the Issuer. On or about 26 May 2026, Mediobanca - Banca di Credito Finanziario S.p.A. acceded into the Programme Agreement as Initial Dealer of the Programme.

Under the Programme Agreement, the Issuer and the Dealer(s) have agreed that any Covered Bonds of any Series or Tranche which may from time to time be agreed between the Issuer and any Dealer(s) to

be issued by the Issuer and subscribed for by such Dealer(s) shall be issued and subscribed for on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of the Programme Agreement. Unless otherwise agreed, neither the Issuer nor any Dealer(s) is, are or shall be, in accordance with the terms of the Programme Agreement, under any obligation to issue or subscribe for any Covered Bonds of any Series or Tranche.

Pursuant to the Programme Agreement, before the Issuer reaches its agreement with any Dealer for the issue and purchase of any Series or Tranche of Covered Bonds under the Programme, each Dealer shall have received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in the Programme Agreement conditions precedent.

According to the terms of the Programme Agreement, the Issuer may nominate any institution as a new Dealer in respect of the Programme or nominate any institution as a new Dealer only in relation to a particular Series or Tranche of Covered Bonds upon satisfaction of certain conditions set out in the Programme Agreement.

In addition, under the Programme Agreement, the parties thereto have agreed to certain terms regulating, *inter alia*, the performance of any stabilisation action which may be carried out in connection with the issue of any Series or Tranche of Covered Bonds.

*Governing law*

The Programme 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.

THE DEED OF PLEDGE AND THE ACCOUNT PLEDGE AGREEMENT

On 23 May 2012, the Guarantor and the Representative of the Bondholders entered into the Deed of Pledge, as amended and restated from time to time, under which, without prejudice and in addition to any security, guarantee and other right provided by Law 130 securing the discharge of the Guarantor's obligations to the Bondholders and the Other Guarantor Creditors, the Guarantor has pledged in favour of the Bondholders and the Other Guarantor Creditors all monetary claims and rights and all the amount arising (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Guarantor is or will be entitled to from time to time pursuant to certain Programme Documents, with the exclusion of the Cover Pool and the Collections. The security created pursuant to the Deed of Pledge will become enforceable upon the service of a Guarantor Default Notice. By a supplementing pledge undertaking letter (the "**Pledge Undertaking Letter**") dated 22 August 2013, between the Guarantor and the Representative of the Bondholders (on its own behalf and on behalf of the Bondholders and the Other Guarantor Creditors), pursuant to which the Guarantor has undertaken to pledge in favour of the Bondholders and the Other Issuer Creditors all the Eligible Investments from time to time made pursuant to or in relation to certain Programme Documents.

Furthermore, on 22 August 2013, the Guarantor and the Representative of the Bondholders entered into the Account Pledge Agreement under which, without prejudice and in addition to any security, guarantee and other right provided by Law 130 securing the discharge of the Guarantor's obligations to the Bondholders and the Other Guarantor Creditors, the Guarantor (i) has pledged and has undertaken to confirm such pledge over all the sums deposited as Reserve Amount(s) on the Reserve Account from time to time, and (ii) has undertaken to pledge all the sums deposited on the Commingling Reserve Account, once opened, in accordance with the provisions of the Programme Documents, in favour of the Bondholders and the Other Issuer Creditors. The security created pursuant to the Account Pledge Agreement will become enforceable upon the service of a Guarantor Default Notice.

*Governing law*

The Deed of Pledge and the Account Pledge 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.

## CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional obligations of the Issuer. The Guarantor has no obligation to pay the Guaranteed Amounts under the Guarantee until the occurrence of an Issuer Event of Default and service by the Representative of the Bondholders on the Issuer and on the Guarantor of an Issuer Default Notice. The Issuer will not be relying on payments by the Guarantor in respect of the Term Loans or receipt of Interest Available Funds or Principal Available Funds from the Cover Pool in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Bondholders, as follows:

- the Guarantee provides credit support for the benefit of the Bondholders;
- the Mandatory Tests and, following the delivery of an Issuer Default Notice, the Amortisation Test (*provided that* the Amortisation Test shall not apply if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds) are intended to ensure that the Cover Pool is at all times sufficient to pay any interest and principal under the Covered Bonds;
- the Liquidity Reserve Requirement is periodically performed with the intention of ensuring that the Liquidity Reserve is in an amount equal to or greater than the maximum cumulative Net Liquidity Outflow expected in the next following 180 days;
- prior to the delivery of an Issuer Default Notice, the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds, applying for the purpose of such coverage an Asset Percentage factor determined in order to provide a degree of over-collateralisation with respect to the Cover Pool;
- a Reserve Account is established, which will build up over time using *inter alia* excess cash flow from Interest Available Funds; and
- under the terms of the Cash Allocation, Management and Payment Agreement, the Cash Manager has agreed that it may invest the moneys standing to the credit of the Main Programme Account and/or Reserve Account in purchasing Eligible Investments.

Certain of these factors are considered more fully in the remainder of this section.

### Guarantee

The Guarantee provided by the Guarantor guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme in accordance with the relevant Priority of Payments. The Guarantee will not guarantee any other amount becoming payable in respect of the Covered Bonds for any other reason, including any accelerated payment pursuant to Condition 12.2 (*Issuer Event of Default*) following the delivery of an Issuer Default Notice. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Default Notice is served), the Guarantor's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment. Payments to be made by the Guarantor under the Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments, as applicable.

See further "*Description of the Programme Documents – Guarantee*", as regards the terms of the Guarantee. See "*Cashflows – Guarantee Priority of Payments*", as regards the payment of amounts payable by the Guarantor to Bondholders and other creditors following the occurrence of an Issuer Event of Default.

### Tests

Under the terms of the Cover Pool Management Agreement, the Issuer (and the Additional Seller(s), if any) must ensure that (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date

thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Test and/or the Liquidity Reserve Requirement was breached, the Cover Pool is in compliance with the relevant Tests described below.

## MANDATORY TESTS AND LIQUIDITY RESERVE REQUIREMENT

In order to ensure that the Cover Pool is sufficient to repay the Covered Bonds, the Issuer, the Main Seller, any Additional Seller(s) (if any) shall ensure that (A) the Mandatory Tests, being (i) the Nominal Value Test, (ii) the Net Present Value Test and (iii) the Interest Coverage Test and (B) the Liquidity Reserve Requirement, are satisfied in accordance with the provisions of Law 130 and the Bank of Italy Regulations and the Cover Pool Management Agreement.

Starting from the First Issue Date and until the date on which all Series or Tranches of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms, the Issuer, also in its capacity as Main Seller, and any Additional Seller(s) (if any), jointly and severally undertake to procure that (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Test and/or Liquidity Reserve Requirement was breached, each of the Mandatory Tests and Liquidity Reserve Requirement described in the Cover Pool Management Agreement is met with respect to the Cover Pool.

(A) *Nominal Value Test*

The Test Calculation Agent shall verify (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Test was breached, that the aggregate Outstanding Principal Balance of the Cover Pool shall be higher than or equal to the aggregate Principal Amount Outstanding of all Series or Tranche of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms.

For the purpose of the Nominal Value Test, the Outstanding Principal Balance of the Cover Pool shall be considered as an amount equal to the "**Nominal Value**" and shall be, on each Quarterly Test Calculation Date (or following the breach of any of the Mandatory Test, on each relevant Test Calculation Date), at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds (or the Euro Equivalent, if applicable). The Nominal Value shall be calculated by applying the following formula:

$$A + B \geq OBG$$

where,

"**A**" is the Outstanding Principal Balance of all Eligible Assets comprised in the Cover Pool as at the relevant Quarterly Test Calculation Date (or following the breach of any of the Mandatory Tests, as at the relevant Test Calculation Date), as reduced, with respect to those Receivables which have Instalments unpaid, respectively, for more than 90 and 180 calendar days, by the relevant amount deemed appropriate by the Originator;

"**B**" is the aggregate amount of all Principal Available Funds cash standing on the Guarantor's Accounts and the funds standing on the Additional Reserve Account that are exposures to credit institutions that qualify for credit quality step 1, 2 or 3; and

"**OBG**" is the aggregate Principal Amount Outstanding of all Series or Tranche of the Covered Bonds (or the Euro Equivalent, if applicable).

The calculation above will be performed without taking into account any Eligible Assets exceeding the limits set forth under article 129, paragraph 1a., of the CRR.

It is understood that any Eligible Swap Agreement is excluded from the calculation of the Nominal Value Test.

The Nominal Value Test will always be deemed as met to the extent that the Asset Coverage Test is met as of the relevant Quarterly Test Calculation Date (or the relevant Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Tests was breached).

In addition to the above, the relevant Test Calculation Agent shall verify on each Quarterly Test Calculation Date that, in accordance with article 7-*undecies* of Law 130, the overcollateralization of the Cover Pool complies with article 129, paragraph 3a., of the CRR, by applying the following formula:

$$(A+B-OBG)/OBG => 5\%$$

Where the parameters are the same of the Nominal Value Test. Furthermore, the relevant Test Calculation Agent shall verify on each Quarterly Test Calculation Date the compliance with the limits of article 129, paragraph 1a., of the CRR.

(B) ***Net Present Value Test***

The Test Calculation Agent shall verify (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Tests was breached, that the net present value of the Cover Pool (including the payments of any nature expected to be received by the Guarantor with respect to any Eligible Swap Agreement), net of all the costs to be borne by the Guarantor (including the payments of any nature expected or due with respect to any Eligible Swap Agreement) shall be higher than or equal to the net present value of all Series or Tranche of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms.

The Net Present Value Test shall be met if:

$$A + B + C - D \geq NPVOBG$$

*where*:

"**A**" is the net present value of all Eligible Assets comprised in the Cover Pool, as reduced, with respect to those Receivables which have Instalments unpaid, respectively, for more than 90 and 180 calendar days, by the relevant amount deemed appropriate by the Originator;

"**B**" is the net present value of each Eligible Swap Agreement;

"**C**" is the aggregate amount of all Principal Available Funds standing on the Guarantor's Accounts and the funds standing on the Additional Reserve Account that are exposures to credit institutions that qualify for credit quality step 1, 2 or 3;

"**D**" is the net present value amount of any transaction costs to be borne by the Guarantor (including the costs of any nature expected to be borne or due with respect to any Eligible Swap Agreement as well as, pursuant to article 7-*undecies* of Law 130, all other operational costs to be sustained by the Guarantor including the maintenance and the management costs due in case of liquidation of the Programme,to be calculated as per the provisions of the Cover Pool Management Agreement); and

"**NPVOBG**" is the sum of the net present value of all Series or Tranche of Covered Bonds outstanding under the Programme.

The calculation above will be performed without taking into account any Eligible Assets exceeding the limits set forth under article 129, paragraph 1a., of the CRR.

(C) *Interest Coverage Test*

The Test Calculation Agent shall verify (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date any of the Mandatory Tests was breached, that the amount of interest and other revenues generated by the Eligible Assets included in the Cover Pool (including the payments of any nature expected to be received or paid by the Guarantor with respect to any Eligible Swap Agreement), net of all the costs borne by the Guarantor (including the payments of any nature expected or due with respect to any Eligible Swap Agreement), shall be higher than or equal to the amount of interest due on all Series or Tranche of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms.

The Interest Coverage Test shall be met if (provided that such calculation shall be performed on the basis of prudent criteria in accordance with the applicable accounting principles):

$$A + B + C - D \geq IOBG$$

*where:*

"**A**" is the interest component of (i) all the Instalments due and payable from the relevant Quarterly Test Calculation Date (or following the breach of any of the Mandatory Test, on each relevant Test Calculation Date) to the date falling 12 months thereafter and (ii) the interest component of all the amounts to be received in respect of the Eligible Assets comprised in the Cover Pool (other than those under letter (i) above), as reduced, with respect to those Receivables which have Instalments unpaid, respectively, for more than 90 and 180 calendar days, by the relevant amount deemed appropriate by the Originator;

"**B**" is any net amount expected to be received by the Guarantor under any Swap Agreement which are Eligible Swap Agreement from the relevant Guarantor Calculation Date to the date falling 12 months thereafter;

"**C**" is any interest expected to accrue in respect of the Principal Available Funds and on the funds standing to the credit of the Additional Reserve Account from the relevant Guarantor Calculation Date to the date falling 12 months thereafter that are exposures to credit institutions that qualify for credit quality step 1, 2 or 3;

"**D**" is the amount of all senior costs expected to be borne by the Guarantor during the period starting from the relevant Guarantor Calculation Date and ending on the date falling 12 months thereafter, under item from *First* to *Third* of the Pre-Issuer Default Interest Priority of Payments; and

"**IOBG**" is the aggregate amount of all interest payments due and payable under all outstanding Series or Tranche of Covered Bonds on the Interest Payment Dates falling in the period starting from the relevant Guarantor Calculation Date (excluded) and ending on the date falling 12 months thereafter (such interest payments to be calculated with respect to the applicable interest rates set out in the relevant Final Terms as of the relevant Guarantor Calculation Date).

The calculation above will be performed without taking into account any Eligible Assets exceeding the limits set forth under article 129, paragraph 1a., of the CRR.

ASSET COVERAGE TEST

Starting from the First Issue Date (excluded) and until the earlier of (a) the date on which all Series or Tranche of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms; and (b) the date on which an Issuer Default Notice is delivered (and, in case the Issuer Event of Default consists of an

Article 74 Event, to the extent that an Article 74 Event Cure Notice has been served), the Issuer, also in its capacity as Main Seller, and any Additional Seller(s) (if any), jointly and severally undertake to procure that, (i) on any Quarterly Test Calculation Date, and (ii) on any Test Calculation Date thereafter if on the immediately preceding Quarterly Test Calculation Date the Asset Coverage Test was breached, the Asset Coverage Test is met with respect to the Cover Pool.

For the purposes of the Asset Coverage Test, the Test Calculation Agent shall verify that the adjusted aggregate asset amount (the "**Adjusted Aggregate Asset Amount**") is, on each Quarterly Test Calculation Date prior to the delivery of an Issuer Default Notice, at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds (or the Euro Equivalent, if applicable) ("**OBG**"); such verification shall be carried out by applying the following formula: Adjusted Aggregate Asset Amount ≥ OBG.

The Adjusted Aggregate Asset Amount will be calculated by applying the following formula:

**A + B + C – Z – Y – W**

*where:*

"**A**" is equal to **MIN*AP**

where:

"**MIN**" is the lower of:

(1) the aggregate actual Outstanding Principal Balance of all Mortgage Receivables included in the Cover Pool, as calculated on the last day of the immediately preceding Calculation Period; and

(2) the aggregate Latest Valuations of all Mortgage Receivables multiplied by M, where M is:

(a) equal to (A) 80 per cent. For all Residential Mortgage Receivables and (B) 60 per cent. for all Commercial Mortgage Receivables both arising from Mortgage Loans which (i) have no unpaid Instalments or (ii) have Instalments unpaid for less than 90 calendar days;

(b) equal to 40 per cent. for all the Mortgage Receivables arising from Mortgage Loans which have Instalments unpaid for more than 90 calendar days but less than 180 calendar days; and

(c) equal to 0 per cent. for all the Receivables arising from Mortgage Loans which (i) are Defaulted Receivables (*crediti in sofferenza*) and UTP Receivables (*crediti UTP*) or (ii) have Instalments unpaid for more than 180 calendar days;

"**AP**" is the "**Asset Percentage**", being the lower of:

(i) 95 per cent; and

(ii) such other lower percentage figure as may be determined by the Issuer on behalf of the Guarantor in accordance with the methodologies published from time to time by the Rating Agency,

**provided that**, in the event the Issuer chooses not to apply such other percentage figure (*item* (ii) above) of the Asset Percentage, this will not result in a breach of the Asset Coverage Test.

"**B**" is the aggregate amount of the Principal Available Funds standing on all the Guarantor's Accounts and the funds standing on the Additional Reserve Account *plus* the Commingling Reserve Amount, without double counting;

"**C**" is the aggregate Outstanding Principal Balance of any Eligible Assets (other than those under letter (A) above);

"**Y**" is equal to ***nil***, as long as the Issuer's DBRS Long Term Critical Obligation Rating (COR) is at least "**BBB (Low)**" by Morningstar DBRS, otherwise it is equal to the Potential Set-Off Amount;

"**W**" is equal to the Potential Commingling Amount;

"**Z**" is the weighted average remaining maturity of all Covered Bonds multiplied by the Principal Amount Outstanding of the Covered Bonds (or the Euro Equivalent, if applicable) multiplied by the Negative Carry Factor.

For the purposes of the paragraph above:

"**Additional Reserve Account**" means the account denominated in Euro, IBAN IT68S0343201600002212135625 opened in the name of the Guarantor and held by the Additional Account Bank or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Commingling Reserve Amount**" means the sum actually posted from time to time to the credit of the Commingling Reserve Account, up to Target Commingling Amount.

"**Negative Carry Factor**" is a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, be not less than 0.5 per cent.

"**Potential Commingling Amount**" means:

(a) ***nil***, as long as the Issuer's DBRS Long Term Critical Obligation Rating (COR) is at least "**BBB (Low)**" by Morningstar DBRS; or

(b) as long as the Issuer's DBRS Long Term Critical Obligation Rating (COR) is below "**BBB (Low)**" by Morningstar DBRS, the Target Commingling Amount.

"**Potential Set-Off Amount**" means a percentage of the outstanding Portfolio that could potentially be subject to set-off risk by the relevant Debtors exercising their set-off rights, deemed to be appropriate in order to cover the relevant set-off risk.

"**Target Commingling Amount**" means the positive difference between (***y***) the amount of principal and interest of the outstanding Portfolio that could be subject to commingling risk and (***x***) the Reserve Amount (if any) posted to the Reserve Account.

**LIQUIDITY RESERVE REQUIREMENT**

The relevant Test Calculation Agent shall verify on each Quarterly Test Calculation Date that the Liquidity Reserve Requirement is met with respect to the Cover Pool.

The Liquidity Reserve Requirement will be considered met if the Liquidity Reserve is in an amount equal to or greater than the maximum cumulative Net Liquidity Outflows expected in the next following 180 days.

The "Liquidity Reserve" will be equal to the amount of Eligible Assets comprised in the Cover Pool which are in compliance with Article 7-*duodecies*, paragraph 2, of Law 130, including the Required Reserve Amount.

The result of the verification of the Liquidity Reserve Requirement will be set out in each Test Performance Report to be prepared and delivered by the relevant Test Calculation Agent pursuant to the Cover Pool Management Agreement.

Should the result from any Quarterly Test Performance Report show that the Liquidity Reserve Requirement is breached, then the Seller shall transfer to the Guarantor New Portfolio(s) of Eligible

Assets in order to cure such excess or, alternatively, the Seller may repurchase Eligible Assets other than Liquidity Assets or, alternatively, the Subordinated Loan Provider may advance further Loans under the Subordinated Loan Agreement.

**AMORTISATION TEST**

Starting from the date on which an Issuer Default Notice is delivered to the Issuer and the Guarantor and until the earlier of (a) the date on which all Series or Tranche of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms; and (b) the date on which a Guarantor Default Notice is delivered, the Guarantor undertakes to procure that on any Quarterly Test Calculation Date, the Amortisation Test is met with respect to the Cover Pool, provided that, in case the Issuer Event of Default consists of an Article 74 Event, no Article 74 Event Cure Notice has been served.

The Amortisation Test shall not apply if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

For the purpose of the Amortisation Test, the Test Calculation Agent (as appointed by the Guarantor pursuant to Clause 2) of the Cover Pool Management Agreement shall verify that, on each Quarterly Test Calculation Date, the outstanding principal balance of the Cover Pool (which for such purpose is considered as an amount equal to the "**Amortisation Test Aggregate Asset Amount**") is higher than or equal to the Euro Equivalent of the Principal Amount Outstanding of all Series or Tranche of Covered Bonds issued under the Programme and not cancelled or redeemed in full in accordance with the Terms and Conditions and the relevant Final Terms at the relevant Quarterly Test Calculation Date ("**OBG**"); such verification shall be carried out by applying the following formula: Amortisation Test Aggregate Asset Amount $\geq$ OBG.

The Amortisation Test Aggregate Asset Amount will be calculated by applying the following formula:

$$A + B + C$$

*where:*

"**A**" is the lower of:

(1) the aggregate of the actual Outstanding Principal Balance of all Mortgage Receivables, as calculated on the last day of the immediately preceding Calculation Period; and

(2) the aggregate Latest Valuations of all Mortgage Receivables multiplied by M, where M is:

(a) equal to 100 per cent. for all Receivables arising from Mortgage Loans which (i) have no unpaid Instalments or (ii) have Instalments unpaid for less than 90 calendar days;

(b) equal to 80 per cent. for all the Receivables arising from Mortgage Loans which (i) have Instalments unpaid for more than 90 calendar days but less than 180 calendar days; and

(c) equal to 0 per cent. for all the Receivables arising from Mortgage Loans which have Instalments unpaid for more than 180 calendar days.

"**B**" the aggregate amount of the Principal Available Funds and the funds standing on the Additional Reserve Account;

"**C**" is the aggregate outstanding principal balance of any Eligible Assets (other than those under letter (A) above).

**Breach of Tests**

If any Test Performance Report specifies the breach of any of the Tests, then, within the Test Grace Period, the Main Seller, (and/or, if any, any Additional Seller) will either:

(i) sell additional Eligible Assets to the Guarantor for an amount sufficient to allow the relevant Test(s) to be met on the Test Calculation Date falling at the end of the Test Grace Period, in accordance with the Master Assets Purchase Agreement and the Cover Pool Management Agreement, to be financed through the proceeds of Term Loans to be granted by the Main Seller (and/or any Additional Seller, if any), or

(ii) substitute any relevant assets in respect of which the right of repurchase can be exercised under the terms of the Master Assets Purchase Agreement with new Eligible Assets, for an amount sufficient to allow the relevant Test to be met on the Test Calculation Date falling at the end of the Test Grace Period,

it being understood that, in case of breach of the Liquidity Reserve Requirement, the relevant Eligible Asset(s) can be replaced only with Liquidity Assets.

Failure to remedy Mandatory Tests and/or Asset Coverage Test

If, within the Test Grace Period, the breach of the relevant Mandatory Tests and/or Asset Coverage Test is not remedied in accordance with the terms of the Cover Pool Management Agreement, the Representative of the Bondholders will deliver a Breach of Tests Notice and a Segregation Event will occur.

If, after the delivery of a Breach of Tests Notice, the breach of the relevant Mandatory Tests and/or Asset Coverage Test is not remedied within the Test Remedy Period, an Issuer Event of Default will occur and the Representative of the Bondholders will deliver an Issuer Default Notice to the Issuer and the Guarantor.

If, after the delivery of a Breach of Tests Notice, but prior to the delivery of an Issuer Default Notice, the relevant Mandatory Tests and/or Asset Coverage Test is/are newly met at the end of the Test Remedy Period according to the information included in the relevant Test Performance Report (unless any other Segregation Event has occurred and is outstanding and without prejudice to the obligation of the Representative of the Bondholders to deliver a subsequent Breach of Tests Notice at any time thereafter to the extent a further Segregation Event occurs), the Representative of the Bondholders will deliver to the Issuer and the Guarantor a Breach of Tests Cure Notice, informing such parties that the Breach of Tests Notice then outstanding has been revoked.

If, after the delivery of an Issuer Default Notice (provided that, should such Issuer Default Notice consists of an Article 74 Event, an Article 74 Event Cure Notice has not been served), a breach of the Amortisation Test occurs, the Representative of the Bondholders will deliver a Guarantor Default Notice (unless the Representative of the Bondholders, having exercised its discretion, resolves otherwise or a Programme Resolution of the Bondholders is passed resolving otherwise).

Upon receipt of an Issuer Default Notice, but prior to service of a Guarantor Default Notice, the Guarantor or the Portfolio Manager may, if so directed by a Programme Resolution of the Bondholders and with the prior consent of the Representative of the Bondholders, sell or otherwise dispose of the assets in the Cover Pool.

Upon receipt of a Guarantor Default Notice, the Guarantor shall dispose of the Assets included in the Cover Pool.

Reserve Account and Additional Reserve Account

The Reserve Account and the Additional Reserve Account is held in the name of the Guarantor. On each Guarantor Payment Date, in accordance with the Priority of Payments, available funds shall be deposited by the Issuer in the Reserve Account or the Additional Reserve Account, as the case may be,

until the Reserve Amount equals the Required Reserve Amount for such Guarantor Payment Date. The Reserve Amount over and above the Required Reserve Amount will be used on each Guarantor Payment Date together with other Guarantor Available Funds, for making the payments required by the Priorities of Payment, to the extent that the Guarantor Available Funds are not sufficient to make such payments on such Payments Date.

## CASHFLOWS

As described above under "*Credit Structure*", until an Issuer Default Notice is served on the Guarantor, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Guarantor.

This section summarises the cashflows of the Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Guarantor's Accounts and their order of priority (all such orders of priority, the "**Priority of Payments**") (a) prior to an Issuer Event of Default and a Guarantor Event of Default, (b) following an Issuer Event of Default (but prior to a Guarantor Event of Default) and (c) following a Guarantor Event of Default.

### Definitions

For the purposes hereof the Guarantor Available Funds are constituted by the Interest Available Funds and the Principal Available Funds, which will be calculated by the Guarantor Calculation Agent on each Calculation Date.

"**Interest Available Funds**" means in respect of any Guarantor Payment Date, the aggregate of:

(i) any interest amounts and/or yield collected by the relevant Servicer in respect of the Cover Pool and credited into the Main Programme Account during the immediately preceding Collection Period;

(ii) all Recoveries in the nature of interest received by the relevant Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

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

(iv) any amounts standing to the credit of the Reserve Account in excess of the Required Reserve Amount, and following the service of an Issuer Default Notice, on the Guarantor, any amounts standing to the credit of the Reserve Account;

(v) all amounts in respect of interest and/or yield received from the Eligible Investments;

(vi) any amounts received under the Swap Agreement(s);

provided that, prior to the occurrence of a Guarantor Event of Default, any such amounts received on or after such Guarantor Payment Date (included) but prior to the next following Guarantor Payment Date (excluded) will be applied, together with any provision for such payments made on any preceding Guarantor Calculation Date, (i) to make payments in respect of interest due and payable, *pro rata* and *pari passu* in respect of each relevant Swap Agreement or, as the case may be, (ii) to make payments in respect of interest due on the Covered Bonds under the Guarantee, *pari passu* and *pro rata* in respect of each relevant Series or Tranche of Covered Bonds, or (iii) to make provision for the payment of such relevant proportion of such amounts to be paid on any other day up to the immediately following Guarantor Payment Date, as the Guarantor Calculation Agent may reasonably determine, or otherwise,

(vii) all interest amounts received from the relevant Seller by the Guarantor pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(viii) any amounts paid as Interest Shortfall Amount out of item (*First*) of the Pre-Issuer Default Principal Priority of Payments; and

(ix) any amounts (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

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

(xi) all principal amounts collected by each Servicer in respect of the Cover Pool and credited to the Main Programme Account during the immediately preceding Collection Period;

(xii) all other Recoveries in respect of principal received by each Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

(xiii) all principal amounts received by the Guarantor from each Seller pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(xiv) the proceeds of any disposal of Eligible Assets and any disinvestment of the Eligible Assets;

(xv) any amounts granted by each Subordinated Lender under the relevant Subordinated Loan Agreement and not used to fund the payment of the Purchase Price for any Eligible Assets;

(xvi) all amounts other than in respect of interest received under any Swap Agreement;

(xvii) any amounts paid out of item *Tenth* of the Pre-Issuer Default Interest Priority of Payments;

(xviii) any amount paid to the Guarantor by the Issuer upon exercise by or on behalf of the Guarantor of the rights of subrogation (*surrogazione*) or recourse (*regresso*) against the Issuer pursuant to article 7-*quaterdecies*, paragraph 3 of Law 130;

(xix) after (a) delivery of an Issuer Default Notice in respect of any Series or Tranche of Covered Bonds and the deferral of the Maturity Date relating to such Series or Tranche of Covered Bonds to the Long Due for Payment Date and (b) occurrence of the relevant Maturity Date in respect of any other Series or Tranche of Covered Bonds, any Final Redemption Amount(s) accumulated on the Amortisation Reserve Account, provided that the Guarantor will allocate and pay such Final Redemption Amount(s) recorded on the ledgers of the Amortisation Reserve Account only pursuant to item (Sixth), letter (b) of the Guarantee Priority of Payments in respect of the corresponding Series or Tranche of Covered Bonds (excluding payment of any other items of the applicable Priority of Payments); and

(xx) any principal amounts standing (other than amounts already allocated under other items of the Principal Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

**Pre-Issuer Default Interest Priority of Payments**

The Interest Available Funds shall be applied on each Guarantor Payment Date in making the following payments and provisions in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full) (the "**Pre-Issuer Default Interest Priority of Payments**"):

1. (*First*), (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such amounts) and (b) to credit to the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

2. (*Second*), to pay any amounts due and payable to the Representative of the Bondholders;

3. (*Third*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable to the Servicer(s), the Italian Account Bank, the New Italian Account Bank (if any), the Cash Manager, the Guarantor Calculation Agent, the Back-up Servicer Facilitator (if any), the Back-up Servicer (if any) and the Guarantor Corporate Servicer;

4. (*Fourth*), *pari passu* and *pro rata*, according to the respective amounts thereof, to pay (or make a provision for payment of any relevant amounts falling due up to the next following Guarantor

Payment Date as the Guarantor Calculation Agent may reasonably determine) of any interest amounts due to the Swap Provider(s) (including any termination payments due and payable by the Guarantor except where the swap counterparty is the Defaulting Party or the sole Affected Party (the "**Excluded Swap Termination Amounts**");

5. (*Fifth*), to credit the Commingling Reserve Amount on the Commingling Reserve Account, up to the value of the Target Commingling Amount, if required pursuant to the provisions of the Cover Pool Management Agreement and/or the Master Servicing Agreement;

6. (*Sixth*), to credit to the Reserve Account an amount required to ensure that the Reserve Amount is funded up to the Required Reserve Amount, as calculated on the immediately preceding Guarantor Calculation Date;

7. (*Seventh*), *pari passu* and *pro rata*, according to the respective amounts thereof, to pay any Loan Interest due and payable on the relevant Guarantor Payment Date on each Term Loan to the Subordinated Lender(s) pursuant to the terms of the relevant Subordinated Loan Agreement, provided that (i) no Segregation Event has occurred and is continuing on such Guarantor Payment Date; and/or (ii) any amount in respect of interest under the relevant Series or Tranche of Covered Bonds which has fallen due on or prior to the relevant Guarantor Payment Date has been paid in full by the Issuer;

8. (*Eighth*), upon the occurrence of a Servicer Termination Event, to credit all remaining Interest Available Funds to the Main Programme Account until such Servicer Termination Event is either remedied or waived by the Representative of the Bondholders or a Substitute Servicer is appointed pursuant to the Master Servicing Agreement;

9. (*Ninth*), to pay *pro rata* and *pari passu* in accordance with the respective amounts thereof any Excluded Swap Termination Amounts;

10. (*Tenth*), to allocate to the Principal Available Funds an amount equal to the Interest Shortfall Amount, if any, allocated on the immediately preceding Guarantor Payment Date and on any preceding Guarantor Payment Dates under item (*First*) of the Pre-Issuer Default Principal Priority of Payments and not already repaid;

11. (*Eleventh*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any party to the Programme Documents (other than the Seller(s)) any amounts due and payable under the Programme Documents, to the extent not already paid or payable under other items of this Pre-Issuer Default Interest Priority of Payments;

12. (*Twelfth*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Seller(s), any amounts due and payable under the Programme Documents, to the extent not already paid or payable under other items of this Pre-Issuer Default Interest Priority of Payments;

13. (*Thirteenth*), *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay to the Subordinated Lender(s) any Premium on the relevant Programme Term Loans and (b) to repay to the Subordinated Lender(s) any Excess Term Loan Amount, provided that (i) no Segregation Event has occurred and is continuing on the relevant Guarantor Payment Date; and/or (ii) any amount in respect of interest under the relevant Series or Tranche of Covered Bonds which has fallen due on or prior to the relevant Guarantor Payment Date has been paid in full by the Issuer.

**Pre-Issuer Default Principal Priority of Payments**

The Principal Available Funds shall be applied on each Guarantor Payment Date in making the following payments and provisions in the following order of priority (in each case only if and to the extent that

payments of a higher priority have been made in full) (the "**Pre-Issuer Default Principal Priority of Payments**"):

1. (*First*), to pay any amounts payable as Interest Shortfall Amount;

2. (*Second*), provided that no Segregation Event has occurred and is continuing, *pari passu* and *pro rata* according to the respective amounts thereof, to (i) pay in whole or in part the purchase price of each New Portfolio to the relevant Seller(s) or (ii) make a provision for payment of any such purchase price in case the formalities required to make the assignment of the relevant New Portfolio enforceable have not been carried out yet on such Guarantor Payment Date;

3. (*Third*), upon the occurrence of a Servicer Termination Event, to credit all remaining Principal Available Funds to the Main Programme Account until such Servicer Termination Event is either remedied or waived by the Representative of the Bondholders or a Substitute Servicer is appointed pursuant to the Master Servicing Agreement;

4. (*Fourth*), *pari passu* and *pro rata* according to the respective amounts thereof:

   (a) to pay (or make a provision for payment of any relevant amounts falling due up to the next following Guarantor Payment Date as the Guarantor Calculation Agent may reasonably determine) any amounts other than in respect of interest due or to become due and payable to the relevant Swap Provider(s);

   (b) (where appropriate, after taking into account any amounts other than in respect of interest to be received from any Swap Provider on such Guarantor Payment Date or such other date up to the next following Guarantor Payment Date as the Guarantor Calculation Agent may reasonably determine) to pay the amounts in respect of principal due and payable to the Subordinated Lender(s) under the relevant Term Loan,

   *provided that*, with respect to paragraph (b) above only, no breach of the Mandatory Tests and/or Asset Coverage Test is pending; and

   *further provided that* in respect of both paragraph (a) and (b) above (i) no Segregation Event has occurred and is continuing on such Guarantor Payment Date; and/or (ii) any principal amount outstanding in respect of the relevant Series or Tranche of Covered Bonds which has fallen due on or prior to the relevant Guarantor Payment Date has been repaid in full by the Issuer.

**Guarantee Priority of Payments**

At any time after service on an Issuer Default Notice, the Guarantor Available Funds standing to the credit of the Guarantor's Accounts will be applied as described below.

Following (i) the delivery of an Issuer Default Notice in respect of any Series or Tranche of Covered Bonds and (ii) the deferral of the Maturity Date relating to such Series or Tranche of Covered Bonds to the Long Due for Payment Date, the Final Redemption Amount(s) relating to any other Series or Tranche of Covered Bonds in respect of which the relevant Maturity Date has not occurred will be accumulated in the Amortisation Reserve Account, and recorded on specific ledgers created thereon, opened in the name of the Guarantor and such amounts, once allocated, will only be available to pay amounts due under the Guarantee in respect of the relevant Series of Covered Bonds on, and from, the relevant Maturity Date and up to the Extended Maturity Date.

Following the delivery of an Issuer Default Notice and – in the event that the Issuer Event of Default consists in an Article 74 Event – until the delivery of an Article 74 Event Cure Notice, the Guarantor Available Funds shall be applied on each Guarantor Payment Date in making the following payments and provisions in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full) (the "**Guarantee Priority of Payments**"):

1. (*First*), (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such amounts) and (b) to credit to the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

2. (*Second*), to pay any amounts due and payable to the Representative of the Bondholders;

3. (*Third*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable to the Servicer(s), the Back-up Servicer Facilitator (if any), the Back-up Servicer (if any), the Italian Account Bank, the New Italian Account Bank (if any), the Cash Manager, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Paying Agent(s) (if any), the Portfolio Manager (if any), the Asset Monitor and the Test Calculation Agent;

4. (*Fourth*), *pari passu* and *pro rata* according to the respective amounts thereof, (i) to pay (or make a provision for payment of any relevant amounts falling due up to the next following Guarantor Payment Date as the Guarantor Calculation Agent may reasonably determine) any amounts due to the Swap Provider(s) (including any termination payments due and payable by the Guarantor other than any Excluded Swap Termination Amounts); and (ii) to pay, on any Guarantor Payment Date, any interest due and payable on such Guarantor Payment Date (or that will become due and payable up to the immediately succeeding Guarantor Payment Date) under the Guarantee in respect of each Series or Tranche of Covered Bonds (*pari passu* and *pro rata* in respect of each Series or Tranche of Covered Bonds);

5. (*Fifth*), to credit to the Reserve Account an amount required to ensure that the Reserve Amount is funded up to the Required Reserve Amount, as calculated on the immediately preceding Guarantor Calculation Date;

6. (Sixth), pari passu and pro rata according to the respective amounts thereof:

   (a) to pay (or to make a provision for payment of any relevant amounts falling due up to the next following Guarantor Payment Date as the Guarantor Calculation Agent may reasonably determine) the amounts other than in respect of interest due or to become due and payable to the relevant Swap Provider(s);

   (b) to pay (or make provision for payment of any relevant amounts falling due up to the next following Guarantor Payment Date, as the Guarantor Calculation Agent may reasonably determine) in whole or in part the Final Redemption Amount under the Guarantee in respect of each Series or Tranche of Covered Bonds to which the Extended Maturity Date applied; and

   (c) to credit any other amounts on the Amortisation Reserve Account, in order to fund the Redemption Amount in respect of each Series or Tranche of Covered Bonds in respect of which the relevant Maturity Date has not occurred;

7. (*Seventh*), until each Series or Tranche of Covered Bonds has been fully repaid or repayment in full of the Covered Bonds has been provided for (such that the Redemption Amount has been accumulated in respect of each outstanding Series or Tranche of Covered Bonds), to credit any remaining amounts to the Main Programme Account;

8. (*Eighth*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any party to the Programme Documents (other than the Seller(s)) any amounts due and payable under the Programme Documents, to the extent not already paid or payable under other items of this Guarantee Priority of Payments;

9. (*Ninth*) to pay *pro rata* and *pari passu*, any Excluded Swap Termination Amount due and payable

by the Guarantor;

10. (*Tenth*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Seller(s) any amounts due and payable under the Programme Documents, to the extent not already paid or payable under other items of this Guarantee Priority of Payments;

11. (*Eleventh*), provided that any other amounts under this Guarantee Priority of Payments have been paid (or a provision for payment has been made) in full, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Subordinated Lender(s) any interest and principal amount outstanding and Premium (if any), and other amounts due, on each Term Loan (as applicable) under the relevant Subordinated Loan Agreement(s).

**Post-Enforcement Priority of Payment**

Following a Guarantor Event of Default, the making of a demand under the Guarantee and the delivery of a Guarantor Default Notice by the Representative of the Bondholders, the Guarantor Available Funds shall be applied, on each Guarantor Payment Date, in making the following payments in the following order of priority (the "**Post-Enforcement Priority of Payments**"):

1. (*First*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such amounts);

2. (*Second*), to pay any amounts due and payable to the Representative of the Bondholders;

3. (*Third*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (i) any amounts due and payable to the Servicer(s), the Back-up Servicer Facilitator (if any), the Back-up Servicer (if any), the Italian Account Bank, the New Italian Account Bank (if any), the Cash Manager, the Guarantor Calculation Agent, the Guarantor Corporate Servicer, the Principal Paying Agent, the Paying Agent(s) (if any), the Portfolio Manager (if any), the Asset Monitor and the Test Calculation Agent; (ii) any amounts due to the Swap Provider(s) other than any Excluded Swap Termination Amount; and (iii) any amounts due under the Guarantee in respect of each Series or Tranche of Covered Bonds;

4. (*Fourth*), any Excluded Swap Termination Amount due and payable by the Guarantor;

5. (*Fifth*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any party to the Programme Documents (other than the Seller(s)) any amounts due and payable under the Programme Documents;

6. (*Sixth*), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Seller(s) any amounts due and payable under the Programme Documents, to the extent not already paid or payable under other items of this Post-Enforcement Priority of Payments;

7. (*Seventh*), provided that any other amounts under this Post-Enforcement Priority of Payments have been paid in full, to pay or repay, *pari passu* and *pro rata* according to the respective amounts thereof, to the Subordinated Lender(s) any amounts outstanding under the Subordinated Loan Agreement(s).

## DESCRIPTION OF THE COVER POOL

The Cover Pool is and will be comprised of (i) Mortgage Loans and the related collateral assigned to the Guarantor by the Main Seller (and/or the Additional Seller(s), if any) in accordance with the terms of the Master Assets Purchase Agreement and (ii) any other Eligible Assets in accordance with Law 130 and the Bank of Italy Regulations.

The Initial Portfolio consists of Residential Mortgage Receivables transferred by the Main Seller to the Guarantor in accordance with the terms of the Master Assets Purchase Agreement, as more fully described under "*Description of the Programme Documents – Master Assets Purchase Agreement*".

### Criteria

The sale of the Receivables and their related Security Interest to the Guarantor will be subject to various conditions being satisfied on the relevant Valuation Date (except as otherwise indicated). The Receivables to be transferred from time to time to the Guarantor will meet certain Criteria, identified so that the Receivables will be selected as a "pool" (blocco). The Criteria, which will differ for Residential Mortgage Receivables, Commercial Mortgage Receivables and other Eligible Assets, will comprise the Common Criteria, which will be from time to time integrated by the Specific Criteria, provided that the relevant Seller and the Guarantor may agree to amend the Common Criteria, also for the purposes of allowing the transfer of other Eligible Assets, any such amendment shall be notified to the Representative of the Bondholders and the Main Servicer.

#### *Common Criteria for the transfer of the Residential Mortgage Receivables*

The Residential Mortgage Receivables transferred and to be transferred from time to time to the Guarantor pursuant to the Master Assets Purchase Agreement shall and will meet the following Common Criteria (to be deemed cumulative unless otherwise provided) on each relevant Valuation Date (or at such other date specified below):

1. are secured by a Mortgage created over Real Estate Assets to be used as residence (*uso di abitazione*), in accordance with applicable laws and regulations, and in which the relevant Real Estate Assets are located in the Republic of Italy;

2. the relevant outstanding amount added to the principal amount outstanding of any preceding mortgage loans secured by the same Real Estate Asset does not exceed 80 per cent of the value of the Real Estate Asset as at the date of disbursement of the relevant Residential Mortgage Loan in compliance with letter d), paragraph 1 of article 129 of the CRR;

3. in relation to which the hardening period (*periodo di consolidamento*) applicable to the relevant Mortgage has expired and the relevant Mortgage is not capable of being challenged pursuant to article 166 of the Business Crisis and Insolvency Code and, if applicable, article 39, fourth paragraph, of the Consolidated Banking Act;

4. do not arise out of agreements subject to the consumer loan (*credito al consumo*) protections pursuant to *Titolo VI, Capo II,* of the Consolidated Banking Act and the Legislative Decree number 206 of 6 September 2005 (*Codice del consumo*);

5. in relation to which the relevant Residential Mortgage Loan is denominated in Euro or, if denominated in Lire as at the relevant disbursement date, it has been redenominated in Euro;

6. in relation to which the relevant Residential Mortgage Loan Agreement is governed by the Italian law;

7. are not under litigation (*in contenzioso*);

#### *Common Criteria for the transfer of the Commercial Mortgage Receivables*

The Commercial Mortgage Receivables transferred and to be transferred from time to time to the Guarantor pursuant to the Master Assets Purchase Agreement shall and will meet the following Common Criteria (to be deemed cumulative unless otherwise provided) on each relevant Valuation Date (or at such other date specified below):

1. are secured by a mortgage created over Real Estate Assets to be used for commercials or professionals purposes (*attività commercial o di ufficio*), in accordance with applicable laws and regulations, and in which the relevant Real Estate Assets are located in the Republic of Italy;

2. the relevant outstanding amount, added to the principal amount outstanding of any preceding mortgage loans secured by the same Real Estate Asset, does not exceed 60 per cent of the value of the Real Estate Asset as at the date of disbursement of the relevant Commercial Mortgage Loan, in compliance with letter f), paragraph 1 of article 129 of the CRR;

3. in relation to which the hardening period (*periodo di consolidamento*) applicable to the relevant Mortgage has expired and the relevant Mortgage is not capable of being challenged pursuant to article 166 of the Business Crisis and Insolvency Code and, if applicable, article 39, fourth paragraph, of the Consolidated Banking Act;

4. in relation to which the relevant Commercial Mortgage Loan is denominated in Euro or, if denominated in Lire as at the relevant disbursement date, it has been redenominated in Euro;

5. in relation to which the relevant Commercial Mortgage Loan is governed by the Italian law;

6. are not under litigation (*in contenzioso*);

*Specific Criteria for the transfer of the Residential Mortgage Receivables included in the Initial Portfolio*

The Residential Mortgage Receivables included in the Initial Portfolio transferred by the Main Seller to the Guarantor on 30 April 2012 under the Master Assets Purchase Agreement met, in addition to the Common Criteria, the following Specific Criteria (to be deemed cumulative unless otherwise provided), as at the relevant Valuation Date (or at such other date specified below).

The Residential Mortgage Receivables arise out of Residential Mortgage Loans:

1. the disbursement date of which, regardless of the relevant value date, falls before 31 December 2011;

2. that are fully disbursed and in relation to which there was no obligation or possibility to make additional disbursements;

3. in relation to which at least one Principal Instalment was paid before the relevant Valuation Date (i.e. Residential Mortgage Loans that are not in the pre-amortising phase);

4. in relation to which all the Instalments falling due before the relevant Valuation Date have been paid;

5. in relation to which no partial prepayments of undue Instalments were made;

6. which have been granted to one or more individuals (*persone fisiche o cointestatari*) (with the exclusion of enterprises owned by a single individual (*ditte individuali*) or *società di fatto*) resident in Italy who, in accordance with the classification criteria adopted by the Bank of Italy pursuant to Circular number 140 of 11 February 1991, as amended on 7 August 1998, fall into the following sectors of economic activities (*settori di attività economica*): 600 ("*Famiglie Consumatrici*"), 614 ("*Artigiani*") and 615 ("*Altre Famiglie Produttrici*");

7. the payment of which is secured by a first economic ranking mortgage (*ipoteca di primo grado economico*), such term meaning (i) a first legal ranking mortgage (*ipoteca di primo grado legale*)

or (ii) (A) a second or subsequent ranking priority mortgage in respect of which the creditor secured by the first ranking priority mortgage is BMPS and with respect to which the obligations secured by the mortgage(s) ranking prior to such second or subsequent mortgage have been fully satisfied, or (B) a second or subsequent ranking priority mortgage in respect of which the obligations secured by the mortgage(s) ranking prior to such second or subsequent mortgage have been fully satisfied and the relevant creditor has formally consented to the cancellation of the mortgage(s) ranking prior to such subsequent mortgage, or (C) a second or subsequent ranking priority mortgage in respect of which the creditor secured by the mortgage(s) ranking prior to such second or subsequent mortgage is BMPS (even if the obligations secured by such ranking priority mortgage(s) have not been fully satisfied) and the receivables secured by such prior ranking priority mortgages arise from Mortgage Loans meeting the Common Criteria and these Specific Criteria;

8. the value of the registration of the relevant Mortgage was higher than Euro 10.00;

9. in relation to which the ratio between the value of the registration of the relevant Mortgage and the disbursed amount of the Residential Mortgage Loan, at the relevant date of the disbursement, was comprised between 1.5 (included) and 8 (included);

10. the relevant amount granted as at the relevant disbursement date was equal to or lower than (a) in relation to Residential Mortgage Loans disbursed to *Artigiani* and *Altre Famiglie Produttrici*, 80 per cent of the value of the Real Estate Asset as at the relevant appraisal date (*data di perizia*), and (b) in relation to Residential Mortgage Loans disbursed to *Famiglie Consumatrici*, 90 per cent of the value of the Real Estate Asset as at the relevant appraisal date (*data di perizia*);

11. secured by Real Estate Asset falling into the following Italian cadastral's categories: A1, A2, A3, A4, A5, A6, A7, A8, A9 or A11;

12. which, at the time of Debtor request, were processed by the branches of BMPS, Banca Agricola Mantovana S.p.A. (merged into BMPS on 16 September 2008), Banca Antonveneta S.p.A. (merged into BMPS on 22 December 2008), Banca Toscana S.p.A. (merged into BMPS 24 March 2009) and Banca Personale S.p.A. (merged into BMPS on 16 April 2010);

13. which were not disbursed through third party funds, i.e. loans disbursed, also in part, through funds of the European Investment Bank (B.E.I.) or of the Social Development Fund of the Council of Europe or of specific national public entities or national or regional companies promoting enterprises (such as Cassa Depositi e Prestiti – *società finanziarie regionali, etc.*);

14. which were not disbursed under third parties facilitations on account of interest or principal (i.e., loans that qualify as *mutui agevolati*);

15. in relation to which the outstanding amount is comprised between Euro 5,000.00 (included) and Euro 5,000,000.00 (included);

16. where being fixed rate loan (*tasso fisso*), the relevant fixed rate was lower than 8 per cent per annum;

17. where being floating rate loans (*tasso variabile*), the spread to be added to the reference rate contractually provided for the calculation of the interest was not equal to, or higher than, 5 per cent;

18. which were not granted to Debtors who have taken part or have applied to take part to "*Combatti la crisi*", or any other similar initiatives promoted by BMPS, or who have not benefit from or applied to benefit from the suspension of payment of the instalments pursuant to the convention entered into between the Italian banking association (ABI) and the main consumers'

associations (the so called "*Piano Famiglie*") of 18 December 2009, as extended on 26 January 2011 and 19 July 2011;

19. which were not renegotiated pursuant to Legislative Decree number 93 of 27 May 2008 (the so called *Decreto Tremonti*), converted into Law number 126 of 24 July 2008 and the convention between the Italian Ministry of Economy and Finance and ABI on 19 June 2008;

20. which were not granted to Debtors involved in the seismic events falling under the applicability of Law Decree number 39 of 28 April 2009, converted into Law number 74 of 24 June 2009, in favour of whom the suspension of the payment of the relevant instalments is provided.

**Specific Criteria of the New Portfolios**

The Specific Criteria of any New Portfolios are selected by the Seller on or about the relevant Valuation Date and identified among the Specific Criteria on the basis of the composition of the relevant New Portfolio. Such Specific Criteria of the New Portfolios are listed in the relevant Transfer Agreement and be available at the registered office of the Representative of the Bondholders and BMPS (in this respect please refer to section "*Documents Available*" below).

## THE ASSET MONITOR

The Bank of Italy Regulations require that the Issuer appoints a qualified entity to be the asset monitor to carry out controls on the regularity of the transaction and the integrity of the Guarantee and, following the latest amendments to the Bank of Italy Regulations introduced by way of inclusion of the new Part III, Chapter 3 (*Obbligazioni Bancarie Garantite*) in Bank of Italy's Circular No. 285 of 17 December 2013, the information to be provided to investors.

Pursuant to the Bank of Italy Regulations, the asset monitor must be an independent auditor enrolled with the Register of Certified Auditors held by the Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012 and shall be independent from the Issuer and any other party to the Programme and from the accounting firm who carries out the audit of the Issuer and the Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the Statutory Auditors *(collegio sindacale)* of the Issuer.

Pursuant to an engagement letter (as amended, supplemented or restated from time to time, the "**Asset Monitor Engagement Letter**") entered into on 23 May 2012 between the Issuer and the Asset Monitor and to an asset monitor agreement entered into on or about 7 December 2023 between the Issuer, the Guarantor, the Asset Monitor and the Representative of the Bondholders (the "**Asset Monitor Agreement**"), the Asset Monitor has agreed to perform certain procedures relating to the Cover Pool and the Programme in accordance with Law 130 and the Bank of Italy Regulations.

## ASSET MONITOR AGREEMENT

The Asset Monitor, will, pursuant to an asset monitor agreement entered into on or about 7 December 2023 (as amended and supplemented from time to time, the "**Asset Monitor Agreement**") between *inter alia* the Issuer, the Guarantor, the Asset Monitor and the Representative of the Bondholders and subject to due receipt of the information to be provided by the Test Calculation Agent to the Asset Monitor, verify the arithmetic accuracy of the calculations performed by the Test Calculation Agent with respect to the Mandatory Tests, the Liquidity Reserve Requirement, the Amortisation Test and the Asset Coverage Test pursuant to the Cover Pool Management Agreement.

In addition, on or prior to each Asset Monitor Report Date, the Asset Monitor shall deliver to the Guarantor, the Test Calculation Agent, the Representative of the Bondholders and the Issuer a report in the form set out in the Asset Monitor Agreement.

The Asset Monitor Agreement provides for certain matters such as the payment of fees and expenses to the Asset Monitor, the limited recourse nature of the payment obligation of the Guarantor *vis-à-vis* the Asset Monitor, the resignation of the Asset Monitor and the replacement by the Guarantor of the Asset Monitor.*Governing law*

The Asset Monitor Agreement and any non-contractual obligations arising out of or in connection with it are governed by Italian law.

## DESCRIPTION OF CERTAIN RELEVANT LEGISLATION IN ITALY

*The following is a general description of Law 130 (as defined below). It does not purport to be a complete analysis of the legislation described below or of the other considerations relating to the Covered Bonds arising from Italian laws and regulations. Furthermore, this overview is based on Italian Legislation as in effect on the date of this Base Prospectus, which may be subject to change, potentially with retroactive effect. This description will not be updated to reflect changes in laws. Accordingly, prospective Bondholders should consult their own advisers as to the risks arising from Italian legislations that may affect any assessment by them of the Covered Bonds.*

### Law 130

The legal and regulatory framework with respect to the issue of covered bonds in Italy comprises the following:

- Title I-bis of the Law No. 130 of 30 April 1999 (as amended and supplemented from time to time, "**Law 130**"); and
- Part III, Chapter 3 of the "*Disposizioni di Vigilanza per le Banche*" (*Circolare No. 285 of 17 December 2013*) (as amended and supplemented from time to time, the "**Bank of Italy Regulations**").

Legislative decree No. 190 of 5 November 2021 (the "**Decree 190**"), transposed into the Italian legal framework Directive (EU) 2019/2162 and designated the Bank of Italy as the competent authority for the public supervision of the covered bonds, which was entrusted with the issuing of the implementing regulations of the Title I-bis of Law 130, as amended, in accordance with article 3, paragraph 2, of Decree 190/2021. In this respect, the provisions of Law 130, as amended by Decree 190/2021, apply to covered bonds issued starting from 8 July 2022.

Moreover, following a public consultation launched by the Bank of Italy on 12 January 2023 and ended on 11 February 2023, on 30 March 2023 Bank of Italy issued the 42nd amendment to the Bank of Italy Regulations, providing for the implementing measures referred to under article 3, paragraph 2, of Decree 190/2021. Such amendment to the Bank of Italy Regulations provided for, *inter alia*, the definition of (i) the criteria for the assessment of the eligible assets and the conditions for including covered bonds among eligible assets for derivative contracts with hedging purposes; (ii) the procedures for calculating hedging requirements; (iii) the conditions for establishing new issuance programmes and the interim discipline regarding new issues under issuance programmes already existing as of 30 March 2023; (iv) the possibility also to banks with credit step quality 3 to act as counterparties of a derivative contract with hedging purposes.

In accordance with the Bank of Italy Regulations, as amended on 30 March 2023, the Bank of Italy did not exercise the option provided for in the Directive (EU) 2019/2162 that allows Member States to lower the threshold of the minimum level of overcollateralization.

The Bank of Italy Regulations – as amended pursuant to the 42nd amendment, among other things, regulate:

- the capital adequacy requirements that issuing banks must satisfy in order to issue covered bonds and the ability of issuing banks to manage risks;
- limitations on the total value of eligible assets that banks, individually or as part of a group, may transfer as cover pools in the context of covered bond transactions;
- criteria to be adopted in the integration of the assets constituting the cover pools;
- the identification of the cases in which the integration is permitted and its limits;

- monitoring and surveillance requirements applicable with respect to covered bond transactions and the provision of information relating to the transaction;
- the publication of periodical information concerning the issuance programmes in order to enable investors to conduct an informed assessment of the cover bond programmes and the related risks;
- the interim discipline regarding new issues under issuance programmes already existing as of 30 March 2023;
- the request for the authorization of the Bank of Italy for the establishment of new issuance programmes; and
- the requirements for applying for the "European Covered Bond (Premium)" label.

On 30 March 2023, the Bank of Italy issued the 42nd amendment to Circular No. 285, implementing the new European framework (i.e. Directive EU 2019/2162, Covered Bond Directive, and Regulation EU 2019/2160, Covered Bond Regulation), which introduces a supervisory regime on covered bond programmes which will be applicable to new covered bond issuance programs only. In case of new issuances – i.e. made after the effective date of the 42th amendment – in the framework of pre-existing programs, the banks shall guarantee the compliance with the new regulatory framework.

**Basic structure of a covered bond issue**

The structure provided under Article 7-*sexies* of Law 130 with respect to the issue of covered bonds may be summarised as follows:

- a bank transfers a pool of eligible assets (*i.e.* the cover pool) to a Title I-bis of Law 130 special purpose vehicle (the "**Guarantor**");
- the bank grants the Guarantor a subordinated loan in order to fund the payment by the Guarantor of the purchase price due for the cover pool;
- the bank issues the covered bonds which are supported by a first demand, unconditional and irrevocable guarantee issued by the Guarantor for the exclusive benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction. The Guarantee is backed by the entire cover pool held by the Guarantor.

Title I-bis of Law 130 however also allows for structures which contemplate different entities acting respectively as cover pool provider, subordinated lender and covered bonds issuer.

*The Guarantor*

The Italian legislator chose to implement the new legislation on covered bonds by supplementing Law 130, thus basing the new structure on a well established platform and applying to covered bonds many provisions with which the market is already familiar in relation to Italian securitisations. Accordingly, as is the case with the special purpose entities which act as issuers in Italian securitisation transactions, the Guarantor is required to be established with an exclusive corporate object that, in the case of covered bonds, must be the purchaser of assets eligible for cover pools and the person giving guarantees in the context of covered bond transactions.

*The guarantee*

Article 7-*quaterdecies* of Law 130 provides that the guarantee issued by the Guarantor for the benefit of the bondholders must be irrevocable, first-demand, unconditional and independent from the obligations of the issuer of the covered bonds. Furthermore, upon the occurrence of a default by the issuer in respect of its payment obligations under the covered bonds, the Guarantor must provide for the payment of the amounts due under the covered bonds, in accordance with their original terms

and with limited recourse to the amounts available to the Guarantor from the cover pool. The acceleration of the issuer's payment obligations under the covered bonds will not therefore result in a corresponding acceleration of the Guarantor's payment obligations under the guarantee (thereby preserving the maturity profile of the covered bonds).

Upon an insolvency of the issuer, the Guarantor will be solely responsible for the payment obligations of the issuer owed to the covered bond holders, in accordance with their original terms and with limited recourse to the amounts available to the Guarantor from the cover pool. In addition, the Guarantor will be exclusively entitled to exercise the rights of the covered bond holders *vis à vis* the issuer's insolvency in accordance with the applicable insolvency law. Any amounts recovered by the Guarantor from the insolvency of the issuer become part of the cover pool.

Finally, if a moratorium is imposed on the issuer's payments, the Guarantor will fulfil the issuer's payment obligations, with respect to amounts which are due and payable and with limited recourse to the cover pool. The Guarantor will then have recourse against the issuer for any such payments.

*Segregation and subordination*

Article 7-*octies* of Law 130 provides that the assets comprised in the cover pool and the amounts paid by the debtor with respect to the receivables and/or debt securities included in the cover pool are exclusively designated and segregated by law for the benefit of the holders of the covered bonds and the hedging counterparties involved in the transaction.

In addition, Article 7-*octies* of Law 130 expressly provides that the claim for reimbursement of the loan granted to the Guarantor to fund the purchase of assets in the cover pool is subordinated to the rights of the covered bond holders and of the hedging counterparties involved in the transaction.

*Exemption from claw-back*

Article 7-*octies* of Law 130 provides that the guarantee and the subordinated loan granted to fund the payment by the Guarantor of the purchase price due for the cover pool are exempt from the bankruptcy claw-back provisions set out in Article 166 of the Business Crisis and Insolvency Code.

In addition to the above, any payments made by an assigned debtor to the Guarantor may not be subject to any claw-back action according to Article 164 of the Business Crisis and Insolvency Code.

*The Issuing Bank*

The Bank of Italy Regulations sets forth for detailed provisions with respect to covered bonds related, *inter alia*, to the eligible assets (including rules on the coverage requirements and the liquidity requirement) and the internal measures to be adopted by the issuing bank to govern and manage potential risks deriving from the participation in covered bond programs.

The Cover Pool

For a description of the assets which are considered eligible for inclusion in a cover pool under Article 7-*novies* of Law 130, see "*Description of the Cover Pool – Eligibility Criteria*".

*Ratio between cover pool value and covered bond outstanding amount*

Law 130 provides that the cover pool provider and the issuer must continually ensure that, throughout the transaction:

- the aggregate nominal value of the cover pool is at least equal to the nominal amount of the relevant outstanding covered bonds;
- the net present value of the cover pool (net of all the transaction costs borne by the Guarantor, including in relation to hedging arrangements) is at least equal to the net present value of the relevant outstanding covered bonds;

- the interest and other revenues deriving from the cover pool (net of all the transaction costs borne by the Guarantor) are sufficient to cover interest and costs due by the issuer with respect to the relevant outstanding covered bonds, taking into account any hedging agreements entered into in connection with the transaction.

In respect of the above, under the Bank of Italy Regulations, strict monitoring procedures are imposed on banks for the monitoring of the transaction and of the adequacy of the guarantee on the cover pool. Such activities must be carried out both by the relevant bank and by an asset monitor, to be appointed by the bank, which is an independent accounting firm. The asset monitor must prepare and deliver to the issuing bank's s board of auditors, on an annual basis, a report detailing its monitoring activity and the relevant findings.

The Bank of Italy Regulations require banks to carry out the monitoring activities described above at least every 6 months with respect to each covered bond transaction. Furthermore, the internal auditors of banks must comprehensively review every 12-months the monitoring activity carried out with respect to each covered bond transaction, basing such review, among other things, on the evaluations supplied by the asset monitor.

In addition to the above, the Bank of Italy Regulations provide that the management body of the issuing bank must ensure that the internal structures delegated to the risk management verify at least every three months and for each transaction carried out the completeness, accuracy and timeliness of information available to investors pursuant to the applicable laws and regulations.

In order to ensure that the monitoring activities above may be appropriately implemented, the Bank of Italy Regulations require that the entities participating in covered bond transactions be bound by appropriate contractual undertakings to communicate to the issuing bank, the cover pool provider and the entity acting as servicer in relation to the cover pool assets all the necessary information with respect to the cover pool assets and their performance.

*Substitution of assets*

Law 130 and the Bank of Italy Regulations provide that, following the initial transfer to the cover pool, the eligible assets comprised in the cover pool may be substituted or supplemented, provided that such option is expressly provided for in the programme and the issuance prospectus, identifying the cases under which the substitution is permitted, adequate disclosure to the market is ensured and, where appropriate, adequate quantitative limits to the substitution are provided.

*Taxation*

Article 7-*viciester* of Law 130 provides that any tax is due as if the granting of the subordinated loan and the transfer of the cover pool had not taken place and as if the assets constituting the cover pool were registered as on-balance sheet assets of the cover pool provider, *provided that*:

- the purchase price paid for the transfer of the cover pool is equal to the most recent book value of the assets constituting the cover pool; and
- the subordinated loan is granted by the same bank acting as cover pool provider.

The provision described above would imply, as a main consequence, that banks issuing covered bonds will be entitled to include the receivables transferred to the cover pool as on-balance receivables for the purpose of tax deductions applicable to reserves for the depreciation on receivables in accordance with Article 106 of Presidential Decree No. 917 of 22 December 1986.

## TAXATION

*The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Covered Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Covered Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Covered Bonds.*

### Republic of Italy

### Tax treatment of Covered Bonds issued by the Issuer

The Decree No. 239 sets out the applicable regime regarding the tax treatment of interest, premium and other income from certain securities issued, *inter alia*, by Italian resident banks (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**"). The provisions of Decree No. 239 only apply to Covered Bonds issued by the Issuer which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**").

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

### Italian resident Bondholders

Pursuant to Decree No. 239, where an Italian resident Bondholders, who is the beneficial owner of the Covered Bonds, is:

(a) an individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected (unless the investor has entrusted the management of his financial assets, including the Covered Bonds, to an authorised intermediary and has opted for the so called "*regime del risparmio gestito*" (the "**Asset Management Regime**") according to article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended and supplemented from time to time ("**Decree No. 461**")) – see under "*Capital gains tax*" below for an analysis of such regime); or

(b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or professional associations; or

(c) a private or public institution other than companies, trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities, with the exclusion of collective investments funds; or

(d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Covered Bonds, accrued during the relevant holding period, are subject to a tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent., either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Covered Bonds. In the event that the Bondholders described under (a) and (c) above are engaged in an entrepreneurial

activity to which the Covered Bonds are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Interest in respect of Covered Bonds received by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where an Italian resident Bondholder is a company or similar commercial entity (including limited partnership qualified as *società in nome collettivo* or *società in accomandita semplice* and private and public institutions carrying out commercial activities and holding the Covered Bonds in connection with this kind of activities), or a permanent establishment in Italy of a foreign company to which the Covered Bonds are effectively connected, and the Covered Bonds are deposited with an authorised intermediary, Interest from the Covered Bonds will not be subject to *imposta sostitutiva*. However, Interest must be included in the relevant Bondholder's income tax return and are therefore subject to Italian corporate income taxation (and, in certain circumstances, depending on the "*status*" of the Bondholder, also to IRAP (the regional tax on productive activities). Interest on the Covered Bonds that are not deposited with an authorised intermediary, received by the above persons is subject to a 26 per cent. *imposta sostitutiva* levied as provisional tax.

Where a Bondholder is an Italian resident real estate investment fund or a real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, Interest accrued on the Covered Bonds will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the SICAF. The income of the real estate fund or the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the *status* and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**"), a SICAV or a non-real estate SICAF and either (i) the Fund, the SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the relevant Covered Bonds are held by an authorised intermediary, Interest accrued during the holding period on the Covered Bonds will not be subject to *imposta sostitutiva*. However, Interest must be included in the management results of the Fund, the SICAV or the non-real estate SICAF, accrued at the end of each tax period. The Fund, the SICAV or the non-real estate SICAF will not be subject to taxation on such result, 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 Substitute Tax**").

Where an Italian resident Bondholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**")) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Covered Bonds).

Subject to certain conditions (including minimum holding period) and limitations, Interest relating to the Covered Bonds may be excluded from the taxable base of the Pension Fund Tax if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo*

*termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called "**SIMs**"), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy ("**Intermediaries**" and each an "**Intermediary**") or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree No. 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Covered Bonds, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Covered Bonds includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Covered Bonds or in a change in the Intermediary with which the Covered Bonds are deposited.

Where the Covered Bonds are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the Bondholders or, absent that by the Issuer paying the Interest.

*Non-Italian resident Bondholders*

Where the Bondholder is a non-Italian resident beneficial owner of the Covered Bonds with no permanent establishment in Italy to which the Covered Bonds are effectively connected, payment of Interest in respect of the Covered Bonds will not be subject to *imposta sostitutiva* **provided that** the non-Italian resident beneficial owner is:

(a) resident, for tax purposes in a State or territory included in the list of States or territories allowing an adequate exchange of information with Italy and listed in the Italian Ministerial Decree dated 4 September 1996 as amended and supplemented from time to time (the "**White List**"). According to article 11, par. 4, let. c), of Decree No. 239, the White List will be updated every six months period; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List.

In order to ensure payment of Interest in respect of the Covered Bonds without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident Bondholders indicated above must be the beneficial owners of the payments of Interest and must:

(a) deposit in due time, directly or indirectly, the Covered Bonds with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Covered Bonds, a self-statement, which remains valid until withdrawn or revoked, in which the Bondholder declares to be eligible to benefit from the applicable exemption from *imposta*

*sostitutiva*. This statement, which is not requested for international bodies or entities established in accordance with international agreements ratified in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

Failure of a non-resident Bondholder to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments.

Non-resident Bondholders who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Bondholder.

*Payments made by an Italian resident guarantor*

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident guarantor under the Guarantee. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

With respect to payments on the Covered Bonds made to certain Italian resident Bondholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be treated, in certain circumstances, as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

In accordance with another interpretation, any such payment made by the Italian resident guarantor may be subject to a withholding tax at a rate of 26 per cent. levied as a final tax or provisional tax depending on the "*status*" of the Bondholder, pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In case of payments to non-Italian resident Bondholders, a final withholding tax may be applied at 26 per cent. Double taxation treaties entered into by the Republic Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

*Fungible issues*

Pursuant to article 11, paragraph 2 of Decree No. 239, where the relevant Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. of the nominal value of the Covered Bonds multiplied by the number of years of the duration of the Covered Bonds.

*Atypical securities*

Interest payments relating to Covered Bonds that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

In the case of Covered Bonds issued by an Italian resident issuer, where the Bondholder is:

(a) an Italian individual engaged in an entrepreneurial activity to which the Covered Bonds are connected;

(b) an Italian company or a similar Italian commercial entity;

(c) a permanent establishment in Italy of a foreign entity to which the Covered Bonds are connected;

(d) an Italian commercial partnership; or

(e) an Italian commercial private or public institution,

such withholding tax is a provisional withholding tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to Covered Bonds qualifying as "*titoli atipici*", if those Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

In all other cases, including when the Bondholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Bondholders, the 26 per cent. withholding tax rate may be reduced by any applicable tax treaty.

*Capital gains tax*

*Italian resident Bondholders*

Any gain obtained from the sale or redemption of the Covered Bonds would be treated as part of the taxable income (and, in certain circumstances, depending on the "*status*" of the Bondholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Covered Bonds are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Covered Bonds are connected.

Where a Bondholder is (i) an Italian resident individual not engaged in an entrepreneurial activity to which the Covered Bonds are connected, (ii) an Italian resident partnership not carrying out commercial activities, or (iii) an Italian private or public institution not carrying out mainly or exclusively commercial activities, any capital gain realised by such Bondholder from the sale or redemption of the Covered Bonds would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent.

In respect of the application of *imposta sostitutiva* on capital gains, taxpayers may opt for one of the three regimes described below:

(a) Under the "tax declaration regime" (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Covered Bonds are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Bondholders any given fiscal year. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Covered Bonds carried out during any given tax year. Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried

forward against capital gains realised in any of the four succeeding tax years.

(b) As an alternative to the tax declaration regime, holders of the Covered Bonds who are:

i. Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity;

ii. Italian resident partnerships not carrying out commercial activities; and

iii. Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect for the administrative savings regime ("*regime del risparmio amministrato*") to pay the *imposta sostitutiva* separately on capital gains realised on each sale, transfer or redemption of the Covered Bonds. Such separate taxation of capital gains is allowed subject to (i) the Covered Bonds being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the administrative savings regime being timely made in writing by the relevant Bondholder. The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale, transfer or redemption of the Covered Bonds (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the holder of the Covered Bonds, deducting a corresponding amount from the proceeds to be credited to the holder of the Covered Bonds or using funds provided by the holder of the Covered Bonds. Under the administrative savings regime, where a sale or transfer or redemption of the Covered Bonds results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Covered Bonds within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the administrative savings regime, the realised capital gain is not required to be included in the annual income tax return of the Bondholder and the Bondholder remains anonymous.

(c) Alternatively to the above described regimes, the aforementioned Bondholders may elect for the Asset Management Regime (the "*risparmio gestito*" regime), under which any capital gains realised upon sale, transfer or redemption by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the Covered Bonds) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Also under the asset management regime the realised capital gain is not required to be included in the annual income tax return of the Bondholder and the Bondholder remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Covered Bonds realised upon sale, transfer or redemption by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where a Bondholder is an Italian resident real estate investment fund or a real estate SICAF, to which

the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the real estate SICAF. The income of the real estate fund or the SICAF is subject to tax, in the hands of the unitholder or shareholder, depending on the *status* and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units or share.

Any capital gains realised by a Bondholder who is an Italian Fund, a SICAV or a non-real estate SICAF will be included in the result of the relevant portfolio accrued at the end of the tax period. The Fund, SICAV or non-real estate SICAF will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident Bondholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252) and the Covered Bonds are deposited with an Italian resident intermediary, any capital gains realised upon sale, transfer or redemption of the Covered Bonds and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include capital gains accrued on the Covered Bonds).

Subject to certain limitations and requirements (including minimum holding period), capital gains in respect of Covered Bonds realized upon sale, transfer or redemption by Italian pension fund may be excluded from the taxable base of the Pension Fund Tax if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

*Non-Italian resident Bondholders*

Capital gains realised by non-Italian resident Bondholders without a permanent establishment in Italy to which the Covered Bonds are effectively connected through the sale or redemption of Covered Bonds issued by an Italian resident issuer and traded on regulated markets are not subject to the *imposta sostitutiva*. The exemption applies provided that the non-Italian resident beneficial owner Bondholders, in certain cases, file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that the Bondholder is not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Bondholders without a permanent establishment in Italy to which the Covered Bonds are effectively connected through the sale, transfer or redemption of Covered Bonds issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, **provided that** the beneficial owner of the Covered Bonds is:

(a) resident in a State or territory included in the White List; and

(b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

The same exemption applies where the non-Italian resident beneficial owners of the Covered Bonds are (i) international entities or organizations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

If none of the conditions above is met, capital gains realised by non-Italian resident Bondholders from the sale, transfer or redemption of Covered Bonds issued by an Italian resident issuer and not

traded on regulated markets are subject to the imposta sostitutiva at the current rate of 26 per cent. However, Bondholders may benefit from an applicable tax treaty with the Republic of Italy providing that capital gains realised upon the sale, transfer or redemption of the Covered Bonds are to be taxed only in the country of tax residence of the recipient.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Covered Bonds are effectively connected elect for the asset management regime or are subject to the administrative savings regime, exemption from Italian capital gains tax will apply **provided that** they timely file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

*Inheritance and gift taxes*

Transfers of any valuable asset (including shares, Covered Bonds or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding Euro 1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding Euro 100,000; and

(c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies at the rate mentioned above in (a), (b) and (c) on the value exceeding €1,500,000.

Moreover, an anti-avoidance rule is provided for by Law No. 383 of 18 October 2001 for any gift of assets (such as the Covered Bonds) which, if sold for consideration, would give rise to capital gains to the *imposta sostitutiva* provided for by Decree No. 461. In particular, if the donee sells the Covered Bonds for consideration within 5 years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift was not made.

The transfer of financial instruments (including the Covered Bonds) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

*Transfer tax*

Contracts relating to the transfer of securities are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the "case of use" (*caso d'uso*) or in case of "explicit reference" (*enunciazione*) or voluntary registration (*registrazione volontaria*).

*Stamp Duty*

Pursuant to article 13 par. 2-*ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.20 per cent. and it cannot exceed €14,000 for taxpayers other than individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments

(including the Covered Bonds). Stamp duty applies both to Italian resident Bondholders and to non-Italian resident Bondholders, to the extent that the Covered Bonds are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory, nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable *pro rata*.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

*Wealth tax on financial assets deposited abroad*

According to article 19 of Decree No. 201/2011, as amended and supplemented from time to time, Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions holding financial assets – including the Covered Bonds – outside of the Italian territory are required to pay in their own annual tax declaration a wealth tax (**IVAFE**) at the rate of 0.2 per cent or 0.4 per cent if the Covered Bonds are held in a country listed in the Italian Ministerial Decree dated 4 May 1999. The wealth tax cannot exceed €14,000 for taxpayers which are not individuals. In this case the above mentioned stamp duty provided for by Article 13 par. 2-*ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 does not apply.

The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial assets held outside of the Italian territory.

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by Article 13 par. 2-*ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 does apply.

*Tax Monitoring*

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Covered Bonds) directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Covered Bonds deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Covered Bonds have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

*United States Foreign Account Tax Compliance Act*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain US payments by a "foreign financial institution", or "**FFI**" (as defined by FATCA)) to persons that fail to

meet certain certification, reporting or related requirements.

This withholding would not apply to payments on the Covered Bonds prior to the date that is two years after the publication of the final U.S. Treasury regulations defining the term foreign passthru payment and would only potentially apply to payments in respect of (i) any Covered Bonds characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal income tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Covered Bonds characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Covered Bonds are issued on or before the grandfathering date, and additional Covered Bonds of the same series are issued after that date, the additional Covered Bonds may not be treated as grandfathered, which may have negative consequences for the existing Covered Bonds, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives (or, in the case of certain exempt entities, a "**Nonreporting FI**"). Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Italy have entered into an IGA (the "**US-Italy IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI or Nonreporting FI pursuant to the US-Italy IGA it does not anticipate that it will be not obliged to deduct any FATCA Withholding on payments it makes on the Covered Bonds. There can be no assurance, however, that in the future the Issuer will not be required to deduct FATCA Withholding from payments it makes on the Covered Bonds. Accordingly, the Issuer and financial institutions through which payments on the Covered Bonds are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Covered Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a recalcitrant holder.

Whilst the Covered Bonds are cleared through Euronext Securities Milan, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Covered Bonds by the Issuer, any paying agent and Euronext Securities Milan, given that each of the entities in the payment chain between the Issuer and the participants in Euronext Securities Milan is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Covered Bonds.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Covered Bonds. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Covered Bonds. In the event any withholding or deduction would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.**

## SUBSCRIPTION AND SALE

Covered Bonds may be sold from time to time by the Issuer to any one or more of the Dealers. The arrangements under which Covered Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Programme Agreement dated 23 May 2012 (as amended and restated from time to time, the "**Programme Agreement**") and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the terms and conditions of the relevant Covered Bonds, the price at which such Covered Bonds will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series or Tranche of Covered Bonds.

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

The Covered Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Covered Bonds 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 U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Covered Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer further agrees, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of Covered Bonds comprising any Series or Tranche, offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### Prohibition of sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as

amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II;

(c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

In relation to each Member State if the EEA (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Covered Bonds to the public in that Relevant State:

a) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

c) *Other exempt offers*: at any time in any other circumstances falling within article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement a prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, (i) the expression an "**offer of Covered Bonds to the public**" in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and (ii) the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129."

**Prohibition of sales to UK Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

(i) *not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;* or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

- *Qualified Investors:* at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;
- *Fewer than 150 offerees:* at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- *Other exceptions:* at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision:

- the expression "**an offer of Covered Bonds to the public**" in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Covered Bonds; and
- the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

**Selling Restrictions addressing Additional United Kingdom Securities Laws**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) *No deposit-taking*: in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) *Financial Promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) *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 any Covered Bonds in, from or otherwise involving the United Kingdom.

**Italy**

The offering of the Covered Bonds has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Covered Bonds may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the " **Financial Laws Consolidation Act** ") as implemented by article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended ("**CONSOB Regulation No. 20307**") and/or Italian CONSOB regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to article 1 of the Prospectus Regulation, article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations.

Any offer, sale or delivery of the Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Laws Consolidation Act, CONSOB Regulation No. 16190 of 29 October 2007 and the Consolidated Banking Act (in each case as amended from time to time);

(ii) in compliance with article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

**Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Covered Bonds in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

**Switzerland**

Each Dealer has acknowledged that in Switzerland, this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in Covered Bonds described herein. Accordingly, each Dealer has represented and agreed that the Covered Bonds have not been and will not be publicly offered, sold or advertised, directly or indirectly, by it in, into or from Switzerland and will not be

listed by it on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations nor a simplified prospectus as such term is understood pursuant to article 5 of the Swiss Collective Investment Scheme Act, and neither this Base Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Base Prospectus nor any other offering or marketing material relating to the offering of the Covered Bonds has been or will be filed by the Issuer or any Dealer with or approved by any Swiss regulatory authority. Covered Bonds issued under the Programme do not constitute a participation in a collective investment scheme in the meaning of the Swiss Collective Investment Schemes Act and are not subject to the approval of, or supervision by, any Swiss regulatory authority, such as the Swiss Financial Markets Supervisory Authority, and investors in the Covered Bonds will not benefit from protection or supervision by any Swiss regulatory authority.

### General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Covered Bonds or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Covered Bonds or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Dealers. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Approval, Listing and Admission to Trading

As of the date of this Base Prospectus, the Covered Bonds are admitted to trading on the EuroTLX Market ("**EuroTLX**"), which is a multilateral system for the purposes of the Market and Financial Instruments Directive (Directive 2014/65/EC (the "**MIFID II**")), managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"). The Issuer reserves the right to make an application for the Covered Bonds 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.

However, Covered Bonds may be issued pursuant to the Programme which will be unlisted or be admitted to listing, trading and/or quotation by such other competent authority, stock exchange or quotation system as the Issuer and the relevant Dealer(s) may agree.

### Authorisations

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by a resolution of the board of directors of the Issuer dated 9 February 2012 and the giving of the Guarantee has been duly authorised by a resolution of the board of directors of the Guarantor dated 27 April 2012.

The annual update of the Programme has been authorised by the resolution of the board of directors of the Issuer dated 23 February 2026.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Covered Bonds.

### Documents Available

So long as Covered Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available (in English translation, where necessary) free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer:

(i) the Programme Documents;

(ii) the by-laws of the Issuer (which is also available at: https://www.gruppomps.it/static/upload/by_/by_laws.pdf) and the constitutive documents of the Guarantor;

(iii) the latest two annual financial statements of the Issuer and the relevant latest two auditor's report;

(iv) the latest two annual financial statements of the Guarantor and the relevant latest two auditor's report;

(v) a copy of the terms and conditions and the rules of the organisation of the covered bondholder set out under base prospectus approved on 22 May 2025 (which is also available at: https://www.gruppomps.it/static/upload/bmp/bmps-cb2---base-prospectus-update-2025.pdf);

(vi) a copy of this Base Prospectus; and

(vii) any future offering circular, prospectuses, information memoranda and supplements to this Base Prospectus including Final Terms and any other documents incorporated herein or therein by reference.

Copies of all such documents (except for those listed under item (i) above) shall also be available to Bondholders at the following website https://www.gruppomps.it/.

It being understood that this Base Prospectus, any supplement to this Base Prospectus, Final Terms and documents incorporated by reference shall remain publicly available in electronic form for at least 10 (ten) years after the relevant publication at the following website https://www.gruppomps.it/.

### Auditors

On 11 April 2019, the Issuer's shareholders meeting appointed PricewaterhouseCoopers S.p.A., independent registered public accounting firm as auditor for the financial years 2020-2028.

PricewaterhouseCoopers S.p.A., independent registered public accounting firm, authorized and regulated by the MEF and registered on the special register of auditing firms held by the MEF and a member of Assirevi Associazione Italiana Revisori Contabili, the Italian Auditors Association, has audited the Issuer's consolidated financial statements, without qualification, in accordance with IFRS, for the financial year ended on 31 December 2025 and 31 December 2024.

On 17 April 2023, the Guarantor's quotaholders appointed PricewaterhouseCoopers S.p.A., appointed as auditor for the financial years 2023-2025. PricewaterhouseCoopers S.p.A. has been appointed on 13 April 2026 to perform the audit of the financial statements of the Guarantor for the period between the year ending on 31 December 2026 and the year ending on 31 December 2028.

### Material Contracts

Neither the Issuer nor the Guarantor nor any of their respective subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may be reasonably expected to be material to their ability to meet their obligations to Bondholders.

### Clearing of the Covered Bonds

The Covered Bonds issued in bearer and dematerialised form have been accepted for clearance through Euronext Securities Milan, Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number in relation to the Covered Bonds of each Tranche will be specified in the relevant Final Terms. The relevant Terms and Conditions and/or Final Terms shall specify (i) any other clearing system for the Covered Bonds issued in bearer and dematerialised form as shall have accepted the relevant Covered Bonds for clearance together with any further appropriate information or (ii) with respect to Covered Bonds issued in any of the other form which may be indicated in the relevant Terms and Conditions and/or Final Terms, the indication of the agent or registrar through which payments to the Bondholders will be performed.

### Yield

In relation to any Tranche of Fixed Rate Covered Bonds and Zero Coupon Bonds, an indication of the yield in respect of such Covered Bonds will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Covered Bonds on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Covered Bonds and will not be an indication of future yield.

### Dealers Transacting with the Issuer

Certain of the Dealers and their affiliates, including parent companies, have engaged, and may in the future engage, in lending, advisory, corporate finance services investment banking and/or commercial banking transactions (including the provision of loan facilities) and other related transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business and/or for companies involved directly or indirectly in the sector in which the Issuer and/or its affiliates operate, and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. Certain of the Dealers may also have positions, deals or make markets in the Covered Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies

on behalf of the Issuer and its consolidated affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Dealers and/or their affiliates may receive allocations of the Covered Bonds (subject to customary closing conditions), which could affect future trading of the Covered Bonds. If any of the Dealers or their affiliates has a lending relationship with the Issuer, certain of the Dealers or their affiliates routinely or may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Moreover in the context of the Programme Banca Monte dei Paschi di Siena S.p.A. will be acting as Issuer and Mediobanca – Banca di Credito Finanziario S.p.A – a subsidiary of MPS Group – will be acting as Dealer.

**Fees and expenses**

The estimated total expenses payable in connection with the issue and admission to trading of each Series or Tranche of Covered Bonds shall be provided under the applicable Final Terms and and will be borne by the Issuer.

The estimated annual fees and expenses payable by the Issuer in connection with the Programme amount to approximately Euro 600,000 (including servicing fees and any VAT).

## GLOSSARY

"**Account Pledge Agreement**" means the Italian law deed of pledge over bank accounts entered into 22 August 2013 between the Guarantor and the Representative of the Bondholders, 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.

"**Accrued Interest**" means, as of each Valuation Date and in relation to any Eligible Asset to be assigned as at that date, the portion of the Interest Instalment accrued, but not yet due, as at such date.

"**Additional Financial Centre**" has the meaning set out in the relevant Final Terms.

"**Additional Account Bank**" means CACIB, in its capacity as Additional Account Bank or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Additional Reserve Account**" means the account denominated in Euro, IBAN IT68S0343201600002212135625 opened in the name of the Guarantor and held by the Additional Account Bank or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Seller**" means any entity being part of the Montepaschi Group that may transfer one or more New Portfolios to the Guarantor following the accession to the Programme pursuant to the Programme Documents.

"**Additional Servicer**" means each Additional Seller (if any) which has been appointed as servicer in relation to the Eligible Assets transferred by it to the Guarantor, following the accession to the Programme and to the Master Servicing Agreement pursuant to the Programme Documents.

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

"**Adjusted Aggregate Asset Amount**" means the amount calculated pursuant to the formula set out in clause 4.2 of the Cover Pool Management Agreement.

"**Affected Party**" has the meaning ascribed to that term in the Swap Agreements.

"**Amortisation Reserve Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with an Eligible Institution, not belonging to the Montepaschi Group, for the deposit of the Redemption Amount(s) in respect of any Series or Tranche of Covered Bonds following the service of an Issuer Event of Default Notice relating to any other Series or Tranche of Covered Bonds, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Amortisation Test**" means the Test as indicated in clause 5 of the Cover Pool Management Agreement.

"**Article 74 Event**" has the meaning given to it in the Terms and Conditions.

"**Article 74 Event Cure Notice**" has the meaning given to it in the Terms and Conditions.

"**Asset Coverage Test**" means the test indicated in clause 4 of the Cover Pool Management Agreement.

"**Asset Monitor**" means Deloitte & Touche S.p.A. in its capacity as asset monitor pursuant to the Asset Monitor Engagement Letter, or any other entity acting in such capacity.

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on or about 7 December 2023 between BMPS, the Guarantor, Banca Finanziaria Internazionale S.p.A. and the Asset Monitor, as amended and supplemented from time to time.

"**Asset Monitor Engagement Letter**" means the engagement letter entered into on 23 May 2012 (as amended and supplemented) between the Issuer and the Asset Monitor in order to perform specific agreed upon procedures concerning, *inter alia*, (i) the fulfilment of the eligibility criteria set out under Law 130 with respect to the Eligible Assets included in the Cover Pool; (ii) the calculations carried-out by the Issuer in relation to the Tests; (iii) the compliance with the limits to the transfer of the Eligible Assets set out under article 129 of the CRR; and (iv) the effectiveness and adequacy of the risk protection provided by any Swap Agreement entered into in the context of the Programme.

"**Asset Percentage**" has the meaning given to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

"**Asset Swap Agreement**" means (i) the asset swap agreement entered into between the Main Seller, in its capacity as Asset Swap Provider, and the Guarantor, on 23 May 2012, and (ii) each other asset swap agreement which may be entered into between an Asset Swap Provider and the Guarantor.

"**Asset Swap Provider**" means the Main Seller as swap counterparty to the Guarantor pursuant to the Asset Swap Agreement and/or any other entity entering into an Asset Swap Agreement with the Guarantor.

"**Back-Up Servicer**" means the company that will be appointed in such capacity by the Guarantor pursuant to clause 10 of the Master Servicing Agreement.

"**Back-Up Servicer Facilitator**" means the company that will be appointed in such capacity by the Guarantor pursuant to clause 10 of the Master Servicing Agreement.

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

"**Base Interest**" has the meaning given to the term "*Interesse Base*" pursuant to each Subordinated Loan Agreement.

"**Base Prospectus**" means this Base Prospectus, as eventually amended and supplemented from time to time.

"**BMPS**" means Banca Monte dei Paschi di Siena S.p.A.

"**BMPS Italian Collection Account**" means the account denominated in Euro IBAN IT31V0103014200000010305488 opened in the name of the Guarantor and held by the Italian Account Bank for the deposit of any Collections under the Portfolios assigned by BMPS or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**BMPS Italian Securities Account**" means the account denominated in Euro opened in the name of the Guarantor and held by the Italian Account Bank for the deposit of any securities transferred by the Guarantor to BMPS, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**BMPS Subordinated Loan Agreement**" means the subordinated loan agreement entered into on 30 April 2012 between the Main Subordinated Lender and the Guarantor.

"**Bondholders**" means the holders from time to time of the Covered Bonds included in each Series or Tranche of Covered Bonds.

"**Breach of Tests Cure Notice**" means the notice delivered by the Representative of the Bondholders in case, following the delivery of a Breach of Tests Notice, the Mandatory Tests and/or the Asset Coverage Test are newly met within the Test Remedy Period, in accordance with the Terms and Conditions.

"**Breach of Tests Notice**" means the notice delivered by the Representative of the Bondholders in accordance with the Terms and Conditions following the breach of any of the Mandatory Tests and/or the Asset Coverage Test prior to an Issuer Event of Default and/or a Guarantor Event of Default.

"**Business Crisis and Insolvency Code**" means the Legislative Decree no. 14 of 12 January 2019 (as amended and supplemented from time to time), containing the regulations of the "Business Crisis and Insolvency Code" (*Codice della Crisi d'Impresa e dell'Insolvenza*).

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, Siena and London and on which the Real-time Gross Settlement System (T2) managed by Eurosistema (or any successor thereto) is open.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"**CACIB**" means Crédit Agricole Corporate and Investment Bank, Milan Branch.

"**CACIB Account Pledge Agreement**" means the agreement entered into on 20 July 2023 between the Issuer, CACIB and Banca Finanziaria Internazionale S.p.A.

"**Calculation Period**" means each period between a Guarantor Calculation Date (included) and the next Guarantor Calculation Date (excluded).

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor, the Representative of the Bondholders, the Guarantor Calculation Agent, the Cash Manager and the Italian Account Bank, as amended and supplemented from time to time.

"**Cash Manager**" means BMPS or any other entity acting in such capacity pursuant to the Cash Allocation, Management and Payments Agreement.

"**Clearstream**" means Clearstream Banking *société anonyme*, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collateral Security**" means any security (including any loan mortgage insurance but excluding Mortgages) granted to the Main Seller (or any Additional Seller(s), if any) by any Debtor in order to guarantee the payment and/or redemption of any amounts due under the relevant Loan Agreement.

"**Collection Date**" means (i) prior to the service of a Guarantor Default Notice, the first calendar day of each month; and (ii) following the service of a Guarantor Default Notice, each date determined as such by the Representative of the Bondholders.

"**Collection Period**" means the Monthly Collection Period and/or the Quarterly Collection Period, as applicable.

"**Collections**" means all amounts received or recovered by each Servicer in respect of the relevant Eligible Assets included in the Cover Pool.

"**Commercial Mortgage Loan**" means a loan secured by a commercial mortgage meeting the requirements of article 129, paragraph 1, lett. (f) of CRR and article 7-novies, paragraph 2, of Law 130.

"**Commercial Mortgage Loan Agreement**" means each of the agreements entered into with the relevant Debtor, pursuant to which a Commercial Mortgage Loan is disbursed, as well as each deed, contract, agreement or supplement thereto or amendment thereof, or any document pertaining thereto (such as "*atti di accollo*").

"**Commercial Mortgage Receivable**" means a Receivable arising from a loan secured by commercial mortgage meeting the requirements of article 129, paragraph 1, letter (f) of CRR and article 7-*novies*, paragraph 2, of Law 130.

"**Commingling Reserve Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with an Eligible Institution, not belonging to the Montepaschi Group, in order to post from time to time the Commingling Reserve Amount (if any) or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Commingling Reserve Amount**" has the meaning given to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

"**Common Criteria**" means the criteria for the selection of the Receivables, as listed in schedule 2, parties I and II to the Master Assets Purchase Agreement.

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

"**Consolidated Banking Act**" means Legislative Decree number 385 of 1 September 1993.

"**Consolidated Monthly Servicer's Report**" means the consolidated monthly report prepared by the Main Servicer in accordance with Clause 6.3 of the Master Servicing Agreement and sent within each Monthly Servicer's Report Date pursuant to the Master Servicing Agreement.

"**Consolidated Quarterly Servicer's Report**" means the consolidated quarterly report prepared by the Main Servicer and sent within each Quarterly Servicer's Report Date to the entities referred to in the Master Servicing Agreement.

"**Corporate Services Agreement**" means the corporate services agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor and the Guarantor Corporate Servicer 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.

"**Corresponding Interest**" has the meaning given to the term "*Interesse Collegato*" pursuant to each Subordinated Loan Agreement.

"**Corresponding Series or Tranche of Covered Bonds**" means, in respect of a Fixed Interest Term Loan or a Floating Interest Term Loan, the Series or Tranche of Covered Bonds issued or to be issued pursuant to the Programme and notified by the Subordinated Lender to the Guarantor in the relevant Term Loan Proposal.

"**Covered Bonds**" means the covered bonds (*obbligazioni bancarie garantite*) of each Series or Tranche issued or to be issued by the Issuer in the context of the Programme.

"**Cover Pool**" means the cover pool constituted by (i) Receivables and (ii) any other Eligible Assets.

"**Cover Pool Management Agreement**" means the Cover Pool management agreement entered into on 23 May 2012 between, *inter alios*, the Issuer, the Guarantor, the Main Seller, the Test Calculation Agent, the Guarantor Calculation Agent and the Representative of the Bondholders, as amended and supplemented from time to time.

"**Covered Bonds**" means the covered bonds (*obbligazioni bancarie garantite*) of each Series or Tranche issued or to be issued by the Issuer in the context of the Programme.

"**Credit and Collection Policy**" means the procedures for the collection and recovery of Receivables from time to time adopted by the relevant Servicer.

"**Criteria**" means, collectively, the Common Criteria and the Specific Criteria.

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

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

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

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

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year

divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by

360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

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

"**Dealers**" means the Initial Dealers and any other entity that will be appointed as dealer by the Issuer pursuant to the Programme Agreement.

"**DBRS Equivalent Rating**" means the Morningstar DBRS rating equivalent of any of the below ratings by Moody's, Fitch or S&P, as the same may be updated in accordance with the methodologies published from time to time by such rating agencies:

| Morningstar 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 Long Term Critical Obligations Rating (COR)**" means the Morningstar DBRS rating addressing the risk of default of particular obligations / 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.

"**DBRS Rating**" is any of the following:

- Public rating
- Private rating
- Internal assessment

(d) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the Eligible Investment or the Eligible Institution (each, a "**Public Long Term Rating**") are all available at such date, the DBRS 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;

(e) if the DBRS Rating cannot be determined under (a) above, but Public Long Term Ratings of the Eligible Investment by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating of the lower 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

(f) if the DBRS 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 Equivalent Rating will be 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 Rating cannot be determined under subparagraphs (a) to (c) above, the DBRS Rating will be deemed to be of "C" at such time.

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

"**Decree No. 239**" means the Legislative Decree number 239 of 1 April 1996, as subsequently amended and supplemented.

"**Deed of Charge**" means the English law deed of charge (if any) between the Guarantor and the Representative of the Bondholders (acting as trustee for the Bondholders and for the Other Guarantor Creditors).

"**Deed of Pledge**" means the Italian law deed of pledge entered into on 23 May 2012 between the Guarantor and the Representative of the Bondholders, as amended from time to time.

"**Defaulted Assets**" means the Defaulted Receivables.

"**Defaulted Receivables**" means any Receivables (i) which have been classified as "defaulted" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Istruzioni di Vigilanza della Banca d'Italia*) and the relevant Credit and Collection Policy; or (ii) in respect of which there are 12 unpaid Instalments (in respect of Receivables deriving from Loans with monthly instalments), 7 unpaid Instalments (in respect of Receivables deriving from Loans with quarterly instalments) or 4 unpaid Instalments (in respect of Receivables deriving from Loans with semi-annual instalments).

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

"**Deposits**" means any deposits held with banks which have their registered office in the European Economic Area or Switzerland or in a country for which a 0% risk weight is applicable in accordance with the Prudential Regulations - standardised approach.

"**Documentation**" means (i) any documentation relating to the Receivables comprised in the Portfolio; and (ii) any other documents relating to the Eligible Assets transferred from time to time by each Seller in the context of the Programme.

"**Drawdown Date**" means the date indicated in each Term Loan Proposal on which a Term Loan is granted pursuant to each Subordinated Loan Agreement during the Subordinated Loan Availability Period.

"**Due for Payment**" means the requirement for the Guarantor to pay any Guaranteed Amounts following the delivery of an Issuer Default Notice after the occurrence of a Issuer Event of Default, such requirement arising: (i) prior to the occurrence of a Guarantor Event of Default, on the date on which the Guaranteed Amounts are due and payable in accordance with the Terms and Conditions and the Final Terms of the relevant Series or Tranche of Covered Bonds; and (ii) following the occurrence of a Guarantor Event of Default, the date on which the Guarantor Default Notice is served on the Guarantor.

"**Earliest Maturing Covered Bonds**" means, at any time, the Series or Tranche of Covered Bonds that has or have the earliest Maturity Date (if the relevant Series or Tranche of Covered Bonds is not subject to

an Extended Maturity Date) or Extended Maturity Date (if the relevant Series or Tranche of Covered Bonds is subject to an Extended Maturity Date) as specified in the relevant Final Terms.

"**Early Redemption Amount (Tax)**" means, in respect of any Series of Covered Bonds, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

"**Early Termination Amount**" means, in respect of any Series or Tranche of Covered Bonds, the principal amount of such Series or Tranche or such other amount as may be specified in, or determined in accordance with, the Terms and Conditions or the relevant Final Terms.

"**ECB**" means the European Central Bank.

"**Eligible Assets**" means the assets contemplated under article 7-*novies* of Law 130, including the Liquidity Assets.

"**Eligible Institution**" means any credit institution incorporated under the laws of any state which is a member of the European Union, the EEA, the United Kingdom or of the United States, whose:

(c) *short-term* unsecured and unsubordinated debt obligations are rated at least "F-1" by Fitch, and at least "P-1" by Moody's, and

(d) *long-term unsecured* and unsubordinated debt obligations are rated at least the Minimum DBRS Rating (considering the maximum of (1) one notch below the relevant institution's DBRS Critical Obligations Rating (COR), in case the institution has a DBRS Critical Obligations Rating (COR); and (2) a long term DBRS Rating or DBRS Equivalent Rating), at least "A" by Fitch and at least "A2" by Moody's (provided that, if any of the above credit institutions is on rating watch negative, it shall be treated as one notch below its current Fitch rating) or any other rating level from time to time provided for in the relevant rating agencies' criteria.

"**Eligible Investments**" means any investment denominated in Euro (unless a suitable hedging is in place) that has a maturity date falling, and which is redeemable at par together with accrued unpaid interest, no later than the next following Eligible Investment Maturity Date and that is an obligation of a company incorporated in, or a sovereign issuer of, a Qualifying Country (as defined below), **provided that** in case of downgrade below such rating level the securities will be sold, if it could be achieved without a loss, otherwise the securities shall be allowed to mature, and is one or more of the following obligations or securities (including, without limitation, any obligations or securities for which the Cash Manager or the Representative of the Bondholders or an affiliate of any of them provides services):

(i) direct obligations of any agency or instrumentality of a sovereign of a Qualifying Country, the obligations of which agency or instrumentality are unconditionally and irrevocably guaranteed in full by a Qualifying Country, a "Qualifying Country" being a country rated at the time of such investment or contractual commitment providing for such investment in such obligations, at least "AA-" or "F1+" by Fitch, "Aa3" and "P-1" by Moody's and AA (low) or R-1 (middle) by Morningstar DBRS;

(ii) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Italian Account Bank (other than BMPS) and the Additional Account Bank) incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 30 days (and in any case falling prior to the immediately following Eligible Investment Maturity Date) and subject to supervision and examination by governmental banking authorities, provided that the commercial paper and/or the debt obligations of such depositary institution or trust company (or, in the case of the principal depositary institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have a credit rating of at least "A"

and "F1" by Fitch, "A2" and "P-1" by Moody's and with respect to Morningstar DBRS rated according to the "DBRS A" table;

(iii) any security rated at least (A) "P-1" by Moody's ,"A" and "F1" by Fitch and with respect to Morningstar DBRS according to the DBRS A table, if the relevant maturity is up to 30 calendar days, (B) "P-1" by Moody's, "AA-" or "F1+" by Fitch and with respect to Morningstar DBRS according to DBRS B table if the relevant maturity is up to 365 calendar days, provided that, in all cases, the maximum aggregate total exposures in general to classes of assets with certain ratings by the Rating Agency will, if requested by the Rating Agency, be limited to the maximum percentages specified by the Rating Agency;

(iv) subject to the rating of the Covered Bonds not being affected, unleveraged repurchase obligations with respect to: (1) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of at least "AA-" or "F1+" by Fitch, "Aa3" and "P-1" by Moody's and a maturity of not more than 180 days from their date of issuance and with respect to Morningstar DBRS, a credit rating of the counterparty according to the DBRS A and DBRS B tables; (2) off-shore money market funds rated, at all times, "AAA/V-1" by Fitch and "Aaa/MR1+" by Moody's and with respect to Morningstar DBRS, a credit rating of the counterparty according to the DBRS A and DBRS B tables; and (3) any other investment similar to those described in paragraphs (1) and (2) above: (a) provided that any such other investment will not affect the rating of the Covered Bonds; and (b) which has the same rating as the investment described in paragraphs (1) and (2) above, provided that, (x) in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in any such instruments at any time and (y) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes (as confirmed by a non qualified legal opinion by a primary standing law firm) to the Issuer and the obligations of the relevant counterparty are not related to the performance of the underlying securities.

Provided that (i) such Eligible Investment shall not prejudice the rating assigned to each Series of Covered Bond and shall provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount), (ii) in any event such debt securities or other debt instruments do not consist, in whole or in part, actually or potentially of credit-linked notes or similar claims nor may any amount available to the Guarantor in the context of the Programme otherwise be invested in asset-backed securities, irrespective of their subordination, status, or ranking at any time, and (iii) the relevant exposure qualifies for the "credit quality step 1" pursuant to article 129, paragraph 1(a) of the CRR or, in case of exposure vis-à-vis an entity in the European union which has a maturity not exceeding 30 (thirty) days, it may qualify for "credit quality step 2" pursuant to Article 129, paragraph 1(a) of the CRR, (iv) such Eligible investments should mature no later than one business day before the date when the funds from the investments are required, taking into account any grace period that might apply to the relevant investment; (v) such Eligible investments should be denominated and payable in a specified currency such that no exchange rate risk is introduced to the transaction; and (vi) such Eligible investments should normally return invested principal at maturity.

| **DBRS A Table: eligible Investments with a maturity up to 30 days: CB Rating** | **Eligible Investment Rating** |
|---|---|
| AAA (sf) | A or R-1(low) |

| | |
|---|---|
| AA (high) (sf) | A or R-1(low) |
| AA (sf) | BBB (high) of R-1 (low) |
| AA (low) (sf) | BBB (high) of R-1 (low) |
| A (high) (sf) | BBB or R-2 (high) |
| A (sf) | BBB (low) or R-2 (middle) |
| A (low) (sf) | BBB (low) or R-2 (low) |
| BBB (high) (sf) | BBB (low) or R-2 (low) |
| BBB (sf) | BBB (low) or R-2 (low) |
| BBB (low) (sf) | BBB (low) or R-2 (low) |
| BB (high) (sf) | BB (high) or R-3 |
| BB (sf) | BB or R-4 |
| BB (low) (sf) | BB (low) or R-4 |
| B (high) (sf) | B (high) or R-4 |
| B (sf) | B or R-4 |
| B (low) (sf) | B (low) or R-5 |

**DBRS B Table**

| **Maximum maturity** | **CB rated at least AA (low) (sf)** | **CB rated between A (high) (sf)and A (low) (sf)** | **CB rated BBB (high) (sf) and below** |
|---|---|---|---|
| 90 days | AA (low) or R-1 (middle) | A (low) or R-1 (low) | BBB (low) or R-2 (middle) |
| 180 days | AA or R-1 (high) | A or R-1 (low) | BBB or R-2 (high) |
| 365 days | AAA or R-1 (high) | A (high) or R-1 (middle) | BBB or R-2 (high) |

"**Eligible Investment Maturity Date**" means, in respect of any investment in Eligible Investments made or to be made in accordance with the Programme Documents, 1 (one) Business Day before the Guarantor Payment Date immediately following the relevant Eligible Investment Date.

"**Eligible Investment Date**" means, in respect of any investment in Eligible Investments made or to be made in accordance with the Programme Documents, any Business Day immediately after a Guarantor Payment Date.

"**Eligible Investments Securities Account**" means the securities account number IT56T0103014200000010305767 opened in the name of the Guarantor with the Italian Account Bank for the deposit of any Eligible Investments represented by securities or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Eligible Swap Agreement**" means any swap agreement which meets the requirements of article 7-*decies* of Law 130.

"**EU Insolvency Regulation**" means Regulation (EU) 2015/848 of 20 May 2015, as amended from time to time.

"**EURIBOR**" (1) with respect to the Covered Bonds, has the meaning ascribed to it in the relevant Final Terms; and (2) with reference to each Loan Interest Period, means the rate denominated "Euro Interbank Offered Rate":

(i) at 3 (three) months (provided that for the First Loan Interest Period, such rate will be calculated on the basis of the linear interpolation of 3-month Euribor and 4-month Euribor), published on Reuters' page "Euribor01" on the menu "Euribor" or (A) in the different page which may substitute the Reuters' page "Euribor01" on the menu "Euribor", or (B) in the event such page or such system is not available, on the page of a different system containing the same information that can substitute Reuters' page "Euribor01" on the menu "Euribor" (or, in the event such page is available from more than one system, in the one selected by the Representative of the Bondholders) (hereinafter, the "**Screen Rate**") at 11.00 a.m. (Brussels time) of the date of determination of the Loan Interest falling immediately before the beginning of such Loan Interest Period; or

(ii) in the event that on any date of determination of the Loan Interest the Screen Rate is not published, the reference rate will be the arithmetic average (rounded off to three decimals) of the rates communicated to the Guarantor Calculation Agent, upon its request of such Guarantor Calculation Agent, by the Reference Banks at 11.00 a.m. (Brussels time) on the relevant date of determination of the Loan Interest and offered to other financial institutions of similar standing for a reference period similar to such Loan Interest Period; or

(iii) in the event the Screen Rate is not available and only two or three Reference Banks communicate the relevant rate quotations to the Guarantor Calculation Agent, the relevant rate shall be determined, as described above, on the basis of the rate quotations provided by the relevant Reference Banks; or

(iv) in the event that the Screen Rate is not available and only one or no Reference Banks communicate such quotation to the Guarantor Calculation Agent, the relevant rate shall be the rate applicable to the immediately preceding period under sub-paragraphs (i) or (ii) above,

provided that if the definition of Euribor is agreed differently in the context of the Asset Swap Agreement entered into by and between the Guarantor and the Asset Swap Provider in the context of the Programme, such definition will replace this definition.

"**Euro**", "**€**" and "**EUR**" refer to the single currency of member states of the European Union which adopt the single currency introduced in accordance with the Treaty.

"**Euro Equivalent**" means, in case of an issuance of Covered Bonds denominated in currency other than the Euro, an equivalent amount expressed in Euro calculated at the prevailing exchange rate.

"**Euroclear**" means Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

"**Euronext Securities Milan**" means Euronext Milan S.p.A. (previously Monte Titoli S.p.A.).

"**Euronext Securities Milan Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan (as *intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act.

"**European Economic Area**" or "**EEA**" means the region comprised of member states of the European Union which adopt the Euro currency in accordance with the Treaty.

"**Excess Assets**" means any Eligible Assets forming part of the Cover Pool which are in excess for the purpose of satisfying the Tests.

"**Excess Term Loan Amount**" means any amount equal to the Accrued Interest collected by the Guarantor, as specified in the relevant Servicer's Reports.

"**Execution Date**" means (i) with respect to the assignment of the Initial Portfolio, the date on which the Main Seller receives from the Guarantor the letter of acceptance of the Master Assets Purchase Agreement, the Master Servicing Agreement, the Warranty and Indemnity Agreement and the Subordinated Loan Agreement, and (ii) with respect to the assignment of each New Portfolio, the date on which the Main Seller (or the relevant Additional Seller (if any)) receives from the Guarantor the letter of acceptance of the relevant Transfer Proposal.

"**Expenses**" means any documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Bondholders and the Other Guarantor Creditors) arising in connection with the Programme, and required to be paid in order to preserve the existence of the Guarantor or to maintain it in good standing, or to comply with applicable laws and legislation.

"**Expenses Account**" means the account denominated in Euro and opened on behalf of the Guarantor with the Italian Account Bank, IBAN IT37R0103014200000010305674, or any other substitutive account that may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Extended Maturity Date**" means the date when final redemption payments in relation to a specific Series or Tranche of Covered Bonds become due and payable pursuant to the extension of the relevant Maturity Date.

"**Extension Determination Date**" means, with respect to each Series or Tranche of Covered Bonds, the date falling 4 days after the Maturity Date of the relevant Series.

"**Final Redemption Amount**" means, in respect of any Series or Tranche of Covered Bonds, (i) the principal amount of such Series or (ii) following the occurrence of an Issuer Event of Default any part thereof payable in accordance with the Priority of Payments, or (iii)such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

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

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998.

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

"**First Issue Date**" means the Issue Date of the first Series of Covered Bonds or the First Tranche of Covered Bonds issued under the Programme.

"**First Loan Interest Period**" means, in relation to each Term Loan, the period starting on (and including) the relevant Drawdown Date and ending on (but excluding) the first following Guarantor Payment Date.

"**First Series of Covered Bonds**" means the first Series of Covered Bonds issued by the Issuer in the context of the Programme.

"**First Tranche of Covered Bonds**" means if applicable the first Tranche of Covered Bonds issued by the Issuer in the context of the issuance of the First Series of Covered Bonds.

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

"**Fixed Interest Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which a fixed rate Corresponding Interest applies as indicated in the relevant Term Loan Proposal and corresponding to the interest payable on the Corresponding Series or Tranche of Covered Bonds.

"**Fixed Rate Covered Bonds**" means the Covered Bonds which will bear interest at a fixed rate.

"**Fixed Rate Provisions**" has the meaning set out in Condition 5 (*Fixed Rate Provisions*).

"**Floating Interest Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which a floating rate Corresponding Interest applies as indicated in the relevant Term Loan Proposal and corresponding to the interest payable on the Corresponding Series or Tranche of Covered Bonds.

"**Floating Rate Covered Bonds**" means the Covered Bonds which will bear interest at a floating rate.

"**FSMA**" means the Financial Services and Markets Act 2000, as amended from time to time.

"**Guarantee**" means the agreement entered into on 23 May 2012, between the Guarantor, the Issuer and the Representative of the Bondholders, pursuant to which the Guarantor has granted a guarantee for the purpose of guaranteeing the payments owed by the Issuer to the Bondholders pursuant to Law 130 and the Bank of Italy Regulations.

"**Guarantee Priority of Payments**" has the meaning ascribed to such term in clause 7.2 of the Intercreditor Agreement.

"**Guaranteed Amounts**" means the amounts due from time to time by the Issuer to Bondholders with respect to each Series or Tranche of Covered Bonds.

"**Guaranteed Obligations**" means the payment obligations with respect to the Guaranteed Amounts.

"**Guarantee Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of this Base Prospectus.

"**Guarantor**" means MPS Covered Bond 2 S.r.l. acting in its capacity as guarantor pursuant to the Guarantee.

"**Guarantor's Accounts**" means, collectively, each Italian Collection Account, each Italian Securities Account (if any), the Payments Account (if any), the Main Programme Account, the Expenses Account, the Eligible Investments Securities Account, the Reserve Account, the Amortisation Reserve Account (if any), the Commingling Reserve Account (if any), the Additional Reserve Account and any other account opened in the context of the Programme, with the exception of the Quota Capital Account.

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

"**Guarantor Calculation Agent**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Guarantor Calculation Date**" means the date falling on the 24th calendar day of each January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day.

"**Guarantor Corporate Servicer**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the Corporate Services Agreement.

"**Guarantor Default Notice**" means the notice to be served by the Representative of the Bondholders upon occurrence of a Guarantor Event of Default, in accordance with the Terms and Conditions.

"**Guarantor Event of Default**" has the meaning given to it in the Terms and Conditions.

"**Guarantor Payment Date**" means (a) prior to the delivery of a Guarantor Default Notice, the 29th calendar day of January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day, provided that the first Guarantor Payment Date falls on 30 July 2012; and (b) following the delivery of a Guarantor Default Notice, any day on which any payment is required to be made by the Representative of the Bondholders in accordance with the Post-Enforcement Priority of Payments, the Terms and Conditions and the Intercreditor Agreement.

"**Individual Purchase Price**" means:

(a) with respect to each Eligible Asset transferred pursuant to the Master Assets Purchase Agreements, the most recent book value (*ultimo valore di iscrizione in bilancio*) of the relevant Eligible Asset:

(i) *minus* the aggregate amount of (1) the accrued interest obtained at the date of the last financial statement with reference to such Eligible Asset and included in such book value; and (2) any collections with respect to principal received by the relevant Seller with respect to such Eligible Asset from the date of the most recent financial statement (*ultimo bilancio*) until the relevant Valuation Date (included); and

(ii) increased of the aggregate amount of the Accrued Interest with respect to such Eligible Asset obtained at the relevant Valuation Date; or

(b) with respect to each other Eligible Asset, such other value, pursuant to article 7-*viciester* of Law 130, as indicated by the Main Seller (or each Additional Seller, if any) in the relevant Transfer Proposal.

"**Initial Dealers**" means Banca Finanziaria Internazionale S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A..

"**Initial Portfolio**" means the first portfolio of Residential Mortgage Receivables and related Security Interests purchased on 30 April 2012 by the Guarantor from the Main Seller pursuant to the Master Assets Purchase Agreement.

"**Initial Portfolio Purchase Price**" means the consideration paid by the Guarantor to the Main Seller for the transfer of the Initial Portfolio, calculated in accordance with the Master Assets Purchase Agreement.

"**Insolvency Event**" means:

(A) in respect of the Issuer, that the Issuer is subject to *liquidazione coatta amministrativa* as defined in the Consolidated Banking Act; and

(B) in respect of any company, entity or corporation other than the Issuer, that:

(v) such company, entity or corporation has become subject to any applicable procedure of judicial liquidation, liquidation, administrative compulsory liquidation, any insolvency proceedings pursuant to the legislation applicable from

time to time (including, *inter alia* and by way of example, pursuant to and for the purposes of the Business Crisis and Insolvency Code), instrument or measure for the regulation of crisis and insolvency (including, without limitation, and merely by way of example, the "*concordato preventivo*", "*piano di ristrutturazione soggetto a omologazione*", "*accordi di ristrutturazione dei debiti*" as well as the "*piano attestato di risanamento*" pursuant to the Business Crisis and Insolvency Code), insolvency and/or restructuring procedures or procedures or similar instruments/measures pursuant to the legislation applicable from time to time (including, but not limited to, application for liquidation, restructuring, dissolution procedures, access to any of the measures set forth in the Business Crisis and Insolvency Code) or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(vi) an application for the commencement (and/or access to) of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Bondholders (who may in this respect rely on the advice of a legal adviser selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(vii) such company, entity or corporation takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Programme Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(viii) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company, entity or corporation or any of the events under article 2484 of the Italian Civil Code occurs with respect to such company, entity or corporation (except in any such case a winding-up, corporate reorganization or other proceeding for the purposes of or pursuant to a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Bondholders); or

(ix) such company, entity or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

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

"**Insurance Policies**" means (i) each insurance policy taken out with the insurance companies in relation to each Real Estate Asset subject to a Mortgage or (ii) any possible "umbrella" insurance policy in relation to the Real Estate Assets which have lost their previous relevant insurance coverage.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on 23 May 2012 between, *inter alios*, the Guarantor and the Other Guarantor 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.

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

"**Interest Available Funds**" means in respect of any Guarantor Payment Date, the aggregate of:

(i) any interest amounts and/or yield collected by the relevant Servicer in respect of the Cover Pool and credited into the Main Programme Account during the immediately preceding Collection Period;

(ii) all Recoveries in the nature of interest received by the relevant Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

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

(iv) any amounts standing to the credit of the Reserve Account in excess of the Required Reserve Amount, and following the service of an Issuer Default Notice, on the Guarantor, any amounts standing to the credit of the Reserve Account;

(v) all amounts in respect of interest and/or yield received from the Eligible Investments;

(vi) any amounts received under the Swap Agreement(s),

provided that, prior to the occurrence of a Guarantor Event of Default, any such amounts received on or after such Guarantor Payment Date (included) but prior to the next following Guarantor Payment Date (excluded) will be applied, together with any provision for such payments made on any preceding Guarantor Calculation Date, (i) to make payments in respect of interest due and payable, *pro rata* and *pari passu* in respect of each relevant Swap Agreement or, as the case may be, (ii) to make payments in respect of interest due on the Covered Bonds under the Guarantee, *pari passu* and *pro rata* in respect of each relevant Series or Tranche of Covered Bonds, or (iii) to make provision for the payment of such relevant proportion of such amounts to be paid on any other day up to the immediately following Guarantor Payment Date, as the Guarantor Calculation Agent may reasonably determine, or otherwise;

(vii) all interest amounts received from the relevant Seller by the Guarantor pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(viii) any amounts paid as Interest Shortfall Amount out of item (*First*) of the Pre-Issuer Default Principal Priority of Payments; and

(ix) any amounts (other than the amounts already allocated under other items of the Guarantor Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

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

"**Interest Coverage Test**" means the Test as described in the section of this Base Prospectus entitled "*Credit Structure – Mandatory Tests – Interest Coverage Test*".

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

"**Interest Payment Date**" means, in relation to each Series or Tranche of Covered Bonds, any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final

Terms, adjusted in accordance with the relevant Business Day Convention if specified in the relevant Final Terms.

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

"**Interest Shortfall Amount**" means, on any Guarantor Payment Date, an amount equal to the difference, if positive, between (a) the aggregate amounts payable (but for the operation of clause 13 (*Enforcement of Security, Non Petition and Limited Recourse*) of the Intercreditor Agreement) under items *First* to *Sixth* of the Pre-Issuer Default Interest Priority of Payments; and (b) the Interest Available Funds (net of such Interest Shortfall Amount) on such Guarantor Payment Date.

"**Issue Date**" means each date on which a Series or Tranche of Covered Bonds is issued, as set out in the applicable Final Terms.

"**Issuer**" means BMPS.

"**Issuer Event of Default**" has the meaning given to it in the Terms and Conditions.

"**Issuer Default Notice**" means the notice to be served by the Representative of the Bondholders to the Issuer and the Guarantor upon occurrence of an Issuer Event of Default in accordance with the Terms and Conditions.

"**Italian Account Bank**" means BMPS in its capacity as Italian Account Bank or any other entity acting in such capacity pursuant to the terms of the Cash Allocation, Management and Payments Agreement.

"**Italian Collection Account**" means, as the case may be, the BMPS Italian Collection Account and/or any other account which may be opened by the Guarantor if a bank part of the Montepaschi Group will accede the Programme in its capacity as Additional Seller and Additional Servicer, for the deposit of the collections of the Portfolios transferred by such bank, in its capacity as Additional Seller, to the Guarantor, or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Italian Securities Account**" means the BMPS Italian Securities Account and/or any other account which may be opened by the Guarantor for the deposit of any Securities represented by bonds, debentures, notes or other financial instruments in book entry form transferred by a Seller to the Guarantor or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Law 130**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Liquidity Assets**" means the Eligible Assets compliant with article 7-*duodecies*, paragraph 2, letter (b) of the Law 130.

"**Liquidity Reserve**" means the amount of Eligible Assets comprised in the Cover Pool which are in compliance with Article 7-duodecies , paragraph 2, of Law 130, including the Required Reserve Amount.

"**Liquidity Reserve Requirement"** means the test described in clause 5 (*Liquidity Reserve Requirement*) of the Cover Pool Management Agreement.

"**Loan**" means each Mortgage Loan.

"**Loan Agreement**" means each Mortgage Loan Agreement.

"**Loan Interest**" means any of the Base Interest or the Corresponding Interest, pursuant to the relevant Subordinated Loan Agreement.

"**Loan Interest Period**" means, in relation to each Term Loan: (i) the relevant First Loan Interest Period; and thereafter (ii) each period starting on (and including) a Guarantor Payment Date and ending on (but excluding) the following Guarantor Payment Date.

"**Long Due for Payment Date**" means 31 December 2057 or any other date determined by the joint decision of the Issuer and the Rating Agency and notified by the Issuer to the Representative of the Bondholders, the Bank of Italy and Morningstar DBRS.

"**Main Programme Account**" means the account denominated in Euro opened in the name of the Guarantor and held by the Italian Account Bank (IBAN IT18P0103014200000010305581), or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Main Seller**" means BMPS.

"**Main Servicer**" means BMPS.

"**Main Subordinated Lender**" means BMPS in its capacity as Subordinated Lender pursuant to the BMPS Subordinated Loan Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on 23 May 2012 between the Guarantor and the Representative of the Bondholders.

"**Mandatory Tests**" means, collectively, the Nominal Value Test, the Net Present Value Test and the Interest Coverage test, each as provided for under article 7-*undecies* of Law 130 and calculated pursuant to clause 3 of the Cover Pool Management Agreement.

"**Margin**" has the meaning ascribed to the term "Margine" in each Subordinated Loan Agreement.

"**Master Amendment Agreement**" means the agreement entered into on 17 July 2023 between the Issuer, CACIB, SVM Securitisation Vehicles Management S.r.l., the Guarantor and Banca Finanziaria Internazionale S.p.A.

"**Master Assets Purchase Agreement**" means the master assets purchase agreement entered into on 30 April 2012 between the Guarantor, the Main Seller and, following accession to the Programme, each Additional Seller, as amended and supplemented from time to time.

"**Master Definitions Agreement**" means the master definitions agreement entered into on 23 May 2012 between the parties of the Programme Documents, as amended and supplemented from time to time.

"**Master Servicing Agreement**" means the master servicing agreement entered on 30 April 2012 between the Guarantor, the Main Servicer and, following accession to the Programme, each Additional Servicer, as amended and supplemented from time to time.

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

"**Meeting**" has the meaning ascribed to such term in the Rules of the Organisation of the Bondholders.

"**Minimum DBRS Rating**":

| **Highest Rating Assigned to Rated Securities** | **Minimum Institution Rating** |
|---|---|
| AAA (sf) | "A" |
| AA (high) (sf) | "A" |

| | |
|---|---|
| AA (sf) | "A" |
| AA (low) (sf) | "A" |
| A (high) (sf) | BBB (high) |
| A (sf) | BBB |
| A (low) (sf) | BBB (low) |
| BBB (high) (sf) | BBB (low) |
| BBB (sf) | BBB (low) |
| BBB (low) (sf) | BBB (low) |

"**Montepaschi Group**" means, together, the banks and other companies belonging from time to time to the banking group "Gruppo Monte dei Paschi", enrolled with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**Monthly Collection Period**" means (a) each period commencing on (and including) a Collection Date and ending on (but excluding) the following Collection Date; and (b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Valuation Date of the Initial Portfolio and ending on (but excluding) the Collection Date falling in June 2012.

"**Monthly Servicer's Report**" means the monthly report prepared by each Servicer and sent to the Main Servicer pursuant to the Master Servicing Agreement.

"**Monthly Servicer's Report Date**" means (i) prior to the delivery of a Guarantor Default Notice, the date falling on the 15th calendar day of each month or, if any such day is not a Business Day, the immediately preceding Business Day and (ii) following the delivery of a Guarantor Default Notice, the date as may be indicated as such by the Representative of the Bondholders.

"**Morningstar DBRS**" means DBRS Ratings GmBH and any of its successors or assignees.

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

"**Mortgage Loan**" means each Residential Mortgage Loan or Commercial Mortgage Loan.

"**Mortgage Loan Agreement**" means any Residential Mortgage Loan Agreement or Commercial Mortgage Loan Agreement.

"**Mortgage Receivable**" means each Residential Mortgage Receivable or Commercial Mortgage Receivables.

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

"**Negative Carry Factor**" has the meaning given to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

"**New Italian Account Bank**" means any entity who succeeded to the Italian Account Bank in the capacity of new Italian account bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Net Present Value Test**" means the Test as described in the section of this Base Prospectus entitled "*Credit Structure – Mandatory Tests – Net Present Value Test*".

"**Net Liquidity Outflows**" means all payment outflows falling due on one day, including principal and interest payments, net of all payment inflows falling due on the same day for claims related to the Cover Pool, calculated in accordance with article 7-*duodecies* of Law 130 and the Bank of Italy Regulations, it being understood that, if the Maturity Date of a Series is extendable to the relevant Extended Maturity Date, the Principal Amount Outstanding of such Series to be taken into account shall be based on the relevant Extended Maturity Date and not on the relevant Maturity Date.

"**New Italian Account Bank**" means any entity, other than the Additional Account Bank, who succeeded to the Italian Account Bank in the capacity of new Italian account bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**New Portfolio**" means each portfolio of Eligible Assets (other than the Initial Portfolio) which may be purchased by the Guarantor pursuant to the terms and subject to the conditions of the Master Assets Purchase Agreement.

"**New Portfolio Purchase Price**" means the consideration which the Guarantor shall pay to the relevant Seller for the transfer of each New Portfolio in accordance with the Master Assets Purchase Agreement and equal to the aggregate amount of the Individual Purchase Price of all the relevant Eligible Assets included in the relevant New Portfolio, without prejudice for the provisions set out under clause 6 of the Master Assets Purchase Agreement.

"**Nominal Value Test**" means the Test as described in the section of this Base Prospectus entitled "*Credit Structure – Mandatory Tests – Nominal Value Test*".

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

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

"**Original Initial Dealer**" means MPS Capital Services S.p.A., now merged by way of incorporation in BMPS.

"**Other Guarantor Creditors**" means the Main Seller and each Additional Seller, if any, the Main Servicer and each Additional Servicer, if any, the Main Subordinated Lender and each Additional Subordinated Lender, if any, the Guarantor Calculation Agent, Back-up Servicer Facilitator and/or the Back-Up Servicer, if any, the Test Calculation Agent, the Dealer(s), the Representative of the Bondholders, the New Italian Account Bank (if any),each Swap Provider, the Italian Account Bank, the Cash Manager, the Principal Paying Agent, the Paying Agent(s) (if any), the Guarantor Corporate Servicer, the Additional Account Bank and the Portfolio Manager (if any).

"**Outstanding Principal Balance**" means any Principal Balance outstanding in respect of any Eligible Asset included in the Cover Pool.

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

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

(i) if the currency of payment is euro, a T2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

"**Payments Account**" means the account denominated in Euro that will be opened in the name of the Guarantor and held with the Principal Paying Agent following the delivery of an Issuer Default Notice or a Guarantor Default Notice, or any other substitutive account which may be opened pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report to be prepared and delivered by the Guarantor Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

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

"**Portfolio**" means collectively the Initial Portfolio and any other New Portfolios which has been purchased and which will be purchased by the Guarantor in accordance with the terms of the Master Assets Purchase Agreement.

"**Portfolio Manager**" means the subject which may be appointed as portfolio manager pursuant to the Cover Pool Management Agreement.

"**Post-Enforcement Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of this Base Prospectus.

"**Post-Issuer Default Test Performance Report**" means, on each Quarterly Test Calculation Date falling after the service of an Issuer Default Notice, the report prepared by the Test Calculation Agent setting out the calculations carried out by it with respect to the Amortisation Test and specifying whether such Test was not met, provided that the Amortisation Test shall not apply and the Post Issuer Default Test Performance Report must not be delivered by the Test Calculation Agent and, accordingly, no Guarantor Event of Default will occur, if the Extended Maturity Date equal to the Long Due for Payment Date is applied to the Covered Bonds.

"**Potential Commingling Amount**" has the meaning give to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

"**Pre-Issuer Default Interest Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of this Base Prospectus.

"**Pre-Issuer Default Principal Priority of Payments**" has the meaning ascribed to such term in the section "*Cash Flows*" of this Base Prospectus.

"**Pre-Issuer Default Test Performance Report**" means, on each Test Calculation Date and Quarterly Test Calculation Date prior to the service of an Issuer Default Notice, the report prepared by the Test Calculation Agent setting out the calculations carried out by it with respect to the Mandatory Tests and the Asset Coverage Test and specifying whether any of such Tests was not met.

"**Premium**" has the meaning ascribed to that term in each Subordinated Loan Agreement.

"**Principal Amount Outstanding**" means, on any day: (a) in relation to a Covered Bond, the principal amount of that Covered Bond upon issue less the aggregate amount of any principal payments in respect of that Covered Bond which have become due and payable (and been paid or deposited in the relevant ledger of the Amortisation Reserve Account) on or prior to that day; and (b) in relation to the Covered Bonds outstanding at any time, the aggregate of the amount referred to in letter (a) above in respect of all Covered Bonds outstanding.

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

(i) all principal amounts collected by each Servicer in respect of the Cover Pool and credited to the Main Programme Account during the immediately preceding Collection Period;

(ii) all other Recoveries in respect of principal received by each Servicer and credited to the Main Programme Account during the immediately preceding Collection Period;

(iii) all principal amounts received by the Guarantor from each Seller pursuant to the Master Assets Purchase Agreement during the immediately preceding Collection Period;

(iv) the proceeds of any disposal of Eligible Assets and any disinvestment of the Eligible Assets;

(v) any amounts granted by each Subordinated Lender under the relevant Subordinated Loan Agreement and not used to fund the payment of the Purchase Price for any Eligible Assets;

(vi) all amounts other than in respect of interest received under any Swap Agreement;

(vii) any amounts paid out of item *Tenth* of the Pre-Issuer Default Interest Priority of Payments;

(viii) any amount paid to the Guarantor by the Issuer upon exercise by or on behalf of the Guarantor of the rights of subrogation (*surrogazione*) or recourse (*regresso*) against the Issuer pursuant to article 7-*quaterdecies,* paragraph 3 of Law 130;

(ix) after (a) delivery of an Issuer Default Notice in respect of any Series or Tranche of Covered Bonds and the deferral of the Maturity Date relating to such Series or Tranche of Covered Bonds to the Long Due for Payment Date and (b) occurrence of the relevant Maturity Date in respect of any other Series or Tranche of Covered Bonds, any Final Redemption Amount(s) accumulated on the Amortisation Reserve Account, provided that the Guarantor will allocate and pay such Final Redemption Amount(s) recorded on the ledgers of the Amortisation Reserve Account only pursuant to item (Sixth), letter (b) of the Guarantee Priority of Payments in respect of the corresponding Series or Tranche of Covered Bonds (excluding payment of any other items of the applicable Priority of Payments); and

(x) any principal amounts standing (other than amounts already allocated under other items of the Principal Available Funds) received by the Guarantor from any party to the Programme Documents during the immediately preceding Collection Period.

"**Principal Balance**" means:

(i) for any Mortgage Loan as at any given date, the aggregate of: (a) the original principal amount advanced to the relevant Debtor and any further amount advanced on or before the given date to the relevant Debtor secured or intended to be secured by the related Security Interest; and (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Loan or with the relevant Debtor' s consent and added to the amounts secured or intended to be secured by that Mortgage Loan; and (c) any other amount (including, for the avoidance of doubt, Accrued Interest and interest in arrears) which is due or accrued (whether or not due) and which has not been paid by the relevant Debtor and has not been capitalised, as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date;

(ii) for any security as at any given date, the principal amount outstanding of that security (plus any accrued but unpaid interest thereon).

"**Principal Financial Centre**" has the meaning set out in the relevant Final Terms.

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

"**Principal Paying Agent**" means BMPS or any other entity acting in such capacity pursuant to the Cash Allocation, Management and Payments Agreement.

"**Priority of Payments**" means each of the orders in which the Guarantor Available Funds shall be applied on each Guarantor Payment Date in accordance with the Terms and Conditions and the Intercreditor Agreement.

"**Privacy Law**" means (i) the EU Regulation n 679/2016 ("General Data Protection Regulation" – "**GDPR**"); (ii) the Italian Legislative Decree No. 196 of 30 June 2003, as subsequently amended, modified or supplemented; as well as (iii) any regulations, guidelines and provisions, from time to time applicable, concerning the protection of personal data, adopted by the Supervisory Authority or other competent authority.

"**Programme**" means the programme for the issuance of each Series of Covered Bonds (*obbligazioni bancarie garantite*) by the Issuer in accordance with Title 1-*bis* of Law 130.

"**Programme Agreement**" means the programme agreement entered into on 23 May 2012 between the Issuer, the Guarantor, the Representative of the Bondholders and the Initial Dealers, as amended from time to time.

"**Programme Documents**" means the Master Assets Purchase Agreement, the Master Servicing Agreement, the Warranty and Indemnity Agreement, the Cash Allocation, Management and Payments Agreement, the Cover Pool Management Agreement, the Programme Agreement, the Intercreditor Agreement, each Subordinated Loan Agreement, the Guarantee, the Corporate Services Agreement, the Swap Agreements, the Mandate Agreement, the Quotaholders' Agreement, the Base Prospectus, the Terms and Conditions, the Deed of Pledge, the Account Pledge Agreement, the Deed of Charge, the Master Definitions Agreement, the Asset Monitor Agreement, any Final Terms agreed in the context of the issuance of each Series or Tranche of Covered Bonds, the CACIB Account Pledge Agreement, the Master Amendment Agreement and any other agreement entered into in connection with the Programme, each as amended and supplemented from time to time.

"**Programme Limit**" means euro 20,000,000,000.

"**Programme Term Loan**" means each Term Loan granted under the relevant Subordinated Loan Agreement in respect of which the Base Interest applies pursuant to terms of the relevant Subordinated Loan Agreement.

"**Purchase Price**" means, as applicable, the Initial Portfolio Purchase Price or each New Portfolio Purchase Price pursuant to the Master Assets Purchase Agreement.

"**Quarterly Collection Period**" means (a) prior to the service of a Guarantor Default Notice, each period commencing on (and including) the Collection Date of January, April, July and October and ending on (but excluding), respectively, the Collection Date of April, July, October and January; and (b) in the case of the first Quarterly Collection Period, the period commencing on (but excluding) the Valuation Date of the Initial Portfolio and ending on (but excluding) the Collection Date falling in July 2012.

"**Quarterly Servicer's Report**" means the quarterly report prepared by each Servicer and sent to the Main Servicer pursuant to the Master Servicing Agreement.

"**Quarterly Servicer's Report Date**" means (a) prior to the delivery of a Guarantor Default Notice, the date falling on the 15th calendar day of each January, April, July and October of each year or, if any such day is not a Business Day, the immediately preceding Business Day; and (b) following the delivery of a Guarantor Default Notice, the date as may be indicated as such by the Representative of the Bondholders.

"**Quarterly Test Calculation Date**" means the 24th calendar day of January, April, July and October of each year or, if any such day is not a Business Day, the immediately following Business Day.

"**Quota Capital**" means the quota capital of the Guarantor.

"**Quota Capital Account**" means the account denominated in Euro opened in the name of the Guarantor with Banca Monte dei Paschi di Siena S.p.A., Conegliano, IBAN IT 68 M 01030 61621 000001285811, for the deposit of the Quota Capital.

"**Quotaholders**" means BMPS and SVM Securitisation Vehicles Management S.r.l., as quotaholders of the Guarantor.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered on 23 May 2012 between the Guarantor and the Quotaholders, as amended from time to time.

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

"**Rating Agency**" means Morningstar DBRS and any other rating agency appointed as such under the Programme.

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

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

(i) all rights and claims in respect of the repayment of the Principal Instalments due and not paid at the relevant Valuation Date (excluded);

(ii) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans, which are due from (but excluding) the relevant Valuation Date;

(iii) the Accrued Interest;

(iv) all rights and claims in respect of each Mortgage and any Collateral Security (if any) relating to the relevant Loan Agreement;

(v) all rights and claims under and in respect of the Insurance Policies (if any); and

(vi) any privileges and priority rights (*diritti di prelazione*) transferable pursuant to the law, as well as any other right, claim or action (including any legal proceeding for the recovery of suffered damages, the remedy of termination (*risoluzione per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*) with respect to the Debtors) and any substantial and procedural action and defence, including the remedy of termination (*risoluzione per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*) with respect to the Debtors, inherent in or ancillary to the aforesaid rights and claims,

excluding any expenses for the correspondence and any expenses connected to the ancillary services requested by the relevant Debtor.

"**Recoveries**" means any amounts received or recovered by the Servicer in relation to any Defaulted Assets and/or any UTP Assets.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount (as any such terms are defined in the Terms and Conditions) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

"**Reference Banks**" (A) with respect to the Covered Bonds, has the meaning ascribed to it in the relevant Final Terms or, if none, four major banks selected by the Principal Paying Agent in the market that is most closely connected with the Reference Rate; and, (B) with respect to each Subordinated Loan Agreement, means four financial institutions of the greatest importance, acting on the interbank market of the member states of the European Union, as selected by the relevant Subordinated Lender and notified to the Guarantor Calculation Agent.

"**Reference Rate**" has the meaning ascribed to it in the relevant Final Terms.

"**Regular Period**" means:

(i) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Covered Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Representative of the Bondholders**" means Banca Finanziaria Internazionale S.p.A. or any other entity acting in such capacity pursuant to the Programme Documents.

"**Required Reserve Amount**" means the aggregate of the amounts calculated by the Guarantor Calculation Agent on each Guarantor Calculation Date, in accordance with the following formula:

**A** ***plus*** **B**,

*where*:

"**A**" is the sum of all the amounts to be paid by the Guarantor on the following Guarantor Payment Date (i) under items from *First* to *Third* of the Pre-Issuer Default Interest Priority of Payments and (ii) as compensation for the activity of any of the Main Servicer or the Additional Servicer under the terms of the Master Servicing Agreement.

"**B**" is the aggregate amount of all interest payable with respect of each series of Covered Bonds during the 6 (six) months period following the relevant Guarantor Calculation Date, which (i) in respect of the first quarter following the relevant Guarantor Calculation Date, shall be the interest payable on the relevant Series of Covered Bonds calculated on the basis of the reference rate (the "**Fixed Rate**") specified for such series of Covered Bonds pursuant to the applicable Final Terms; and (ii) in respect of the second quarter, shall be the interest payable on the relevant Series of Covered Bonds calculated on the basis of the same Fixed Rate.

"**Reserve Account**" means the account denominated in Euro, IBAN IT68P0103014200000010919758, opened in the name of the Guarantor and held by the Italian Account Bank or any other substitutive account which may be opened by the Guarantor pursuant to the Cash Allocation, Management and Payments Agreement.

"**Reserve Amount**" means the funds standing to the credit of the Reserve Account from time to time.

"**Residential Mortgage Loan**" means a loan secured by residential mortgage meeting the requirements of article 129, paragraph 1, lett. (d) of CRR and article 7-*novies*, paragraph 2, of Law 130.

"**Residential Mortgage Loan Agreement**" means each of the agreements entered into with the relevant Debtor, pursuant to which a Residential Mortgage Loan is disbursed, as well as each deed, contract, agreement or supplement thereto or amendment thereof, or any document pertaining thereto (such as "*atti di accollo*").

"**Residential Mortgage Receivable**" means a Receivable arising from a loan secured by a residential mortgage meeting the requirements of article 129, paragraph 1, letter (d) of CRR and articole 7-novies, paragraph 2, of Law 130.

"**Resolution Event**" means the starting of a resolution procedure *vis-à-vis* the Issuer pursuant to Legislative Decree No. 180/2015 and subject to the relevant implementing measures adopted by the competent resolution authority.

"**Retention Amount**" means an amount equal to euro 50,000.00.

"**Rules of the Organisation of the Bondholders**" means the rules of the organisation of the Bondholders attached as exhibit 1 to the Terms and Conditions, 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.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

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

"**Security Interest**" means:

(i) any mortgage, charge, pledge, lien or other encumbrance 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 (including any title transfer and retention arrangement) having a similar effect.

"**Segregated Assets**" means the Guarantor's assets consisting of (a) the Cover Pool, (b) any amounts paid by the relevant Debtors and/or the Swap Providers and/or (c) any amounts received by the Guarantor pursuant to any other Programme Documents.

"**Segregation Event**" means the event occurring upon delivery of a Breach Test Notice pursuant to the Terms and Conditions.

"**Seller**" means any of the Main Seller and any Additional Seller pursuant to the Master Assets Purchase Agreement.

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

"**Servicer**" means any of the Main Servicer and any Additional Servicer pursuant to the Master Servicing Agreement.

"**Servicer Termination Event**" means any event as indicated in clause 10.1 of the Master Servicing Agreement.

"**Servicer's Insolvency Event**" means, with respect to the Main Servicer and/or any Additional Servicer acceding to the Master Servicing Agreement, any order issued by the competent authorities against the

relevant Servicer, by effect of which such a Servicer is rendered subject to compulsory winding up ("*liquidazione coatta amministrativa*"), to an extraordinary administration procedure ("*amministrazione straordinaria*") or other insolvency procedure, which entails the cessation of the Servicer's business and prejudice its activity, or a resolution is passed by the relevant Servicer seeking its liquidation of the admission to any of the mentioned procedures.

"**Servicer's Reports**" means together the Monthly Servicer's Report, the Consolidated Monthly Servicer's Report, the Quarterly Servicer's Report and the Consolidated Quarterly Servicer's Report, and "**Servicer's Report**" means any of them.

"**Servicer's Report Date**" means the Quarterly Servicer's Report Date or the Monthly Servicer's Report Date, as the case may be.

"**Specific Criteria**" means the specific criteria integrating the Common Criteria for the selection of the Receivables, as specified from time to time by the relevant Seller to the Guarantor in the relevant Transfer Proposal.

"**Specified Currency**" means the currency as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Representative of the Bondholders (as set out in the applicable Final Terms).

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

"**Subordinated Lender**" means any of the Main Subordinated Lender and any Additional Subordinated Lender pursuant to the relevant Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means, as the case may be, the BMPS Subordinated Loan Agreement or any other subordinated loan agreement entered between an Additional Subordinated Lender and the Guarantor, as amended and supplemented from time to time.

"**Subordinated Loan Availability Period**" means the period starting from the date of execution of the relevant Subordinated Loan Agreement and ending on the date on which all the Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full pursuant to the Terms and Conditions and the applicable Final Terms, in which the relevant Subordinated Lender may disburse to the Guarantor, on each Drawdown Date, a Term Loan.

"**Subscription Agreement**" means each subscription agreement entered on or about the Issue Date of each Series or Tranche of Covered Bonds between, *inter alios*, each Dealer and the Issuer.

"**Substitute Servicer**" means, with reference to each Servicer, the substitute which will be appointed upon the occurrence of a Servicer Termination Event pursuant to clause 10.6 of the Master Servicing Agreement.

"**Swap Agreements**" means any swap agreement which may be entered into by the Guarantor in the context of the Programme, 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.

"**Swap Providers**" means any entity which may act as swap counterparty to the Guarantor by entering into a Swap Agreement in the context of the Programme.

"**T2**" means the real time gross settlement system operated by the Eurosystem (T2) combining the functionalities of a Real Time Gross Settlement (RTGS) system with those of a Central Liquidity Management (CLM) system and which utilises a single shared platform and which was launched on 20 March 2023.

"**T2 Settlement Day**" means any day on which the T2 is open for the settlement of payments in Euro.

"**Target Commingling Amount**" has the meaning given to such term in Clause 4 (*Asset Coverage Test*) of the Cover Pool Management Agreement.

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

"**Term Loan**" means any term loan in the form of a Programme Term Loan or Fixed Interest Term Loan or Floating Interest Term Loan, made or to be made available to the Guarantor on each Drawdown Date under the Subordinated Loan Agreement or the principal amount outstanding for the time being of that loan.

"**Term Loan Proposal**" means an "*Offerta di Finanziamento Subordinato*" as such term is defined in the relevant Subordinated Loan Agreement.

"**Terms and Conditions**" means the terms and conditions of the Covered Bonds.

"**Test Calculation Agent**" means BMPS or any other entity acting in such capacity pursuant to the Cover Pool Management Agreement, as the case may be.

"**Test Calculation Date**" means, following the delivery of a Test Performance Report evidencing the breach of any of the Mandatory Tests and/or Asset Coverage Test and/or the Liquidity Reserve Requirement, the 24th calendar day of the second calendar month falling after the delivery of such Test Performance Report.

"**Test Grace Period**" means the period starting on the Test Performance Report Date on which a Test Performance Report notifying the breach of any of the Mandatory Tests and/or of the Asset Coverage Test is notified by the Test Calculation Agent and ending on the following Test Calculation Date.

"**Test Performance Report**" means the Pre-Issuer Default Test Performance Report or the Post-Issuer Default Test Performance Report, as the case may be.

"**Test Performance Report Date**" means (i) the 24th calendar day of each January, April, July and October of each year, and (ii) upon delivery of a Test Performance Report evidencing the breach of any of the Mandatory Tests and/or Asset Coverage Test, the 24th calendar day of the second calendar month following the delivery of such Test Performance Report.

"**Test Remedy Period**" means the period starting from the date on which a Breach of Tests Notice is delivered and ending on the immediately following Quarterly Test Calculation Date.

"**Tests**" means, collectively, the Mandatory Tests, the Asset Coverage Test, the Amortisation Test and the Liquidity Reserve Requirement and "**Test**" means any of them.

"**Total Commitment**" means, in respect of each Subordinated Lender, the commitment specified in the relevant Subordinated Loan Agreement.

"**Tranche**" or "**Tranches of Covered Bonds**" means each tranche of Covered Bonds which may be comprised in a Series of Covered Bonds.

"**Transaction Accounts**" means the accounts opened with the Italian Account Bank under the Programme, other than the BMPS Italian Collection Account.

"**Transfer Agreement**" means each transfer agreement of New Portfolios entered into between the Guarantor and the Main Seller, or each Additional Seller, pursuant to clause 4 of the Master Assets Purchase Agreement.

"**Transfer Proposal**" means, in respect to each New Portfolio, the transfer proposal which will be sent by the relevant Seller and addressed to the Guarantor substantially in the form set out in schedule 5 to the Master Assets Purchase Agreement.

"**Treaty**" means the treaty establishing the European Community.

"**Usury Law**" means Law number 108 of 7 March 1996, together with Decree number 349 of 29 December 2000 as converted into Law number 24 of 28 February 2001.

"**UTP Assets**" (*Attivi UTP*) means the UTP Receivables.

"**UTP Receivables**" (*Crediti UTP*) means any Receivable classified as unlikely-to-pay loan (*inadempienza probabile*) pursuant to the Circular No. 272/2008 (*Matrice dei Conti*) issued by the Bank of Italy, as subsequently modified and supplemented, and, as such, signalled to the "*Centrale dei Rischi*" pursuant to the Circular No. 139/1991 of the Bank of Italy, as subsequently amended and supplemented

"**Valuation Date**" means (i) with respect to the Initial Portfolio, 27 April 2012 and (ii) with respect to any New Portfolios, the date that will be agreed between the relevant Seller and the Guarantor.

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered on 30 April 2012 between the Main Seller and the Guarantor, and, following accession to the Programme, each Additional Seller, as amended and supplemented from time to time.

"**Zero Coupon Covered Bonds**" means the Covered Bonds, bearing no interest, which may be offered and sold at a discount to their nominal amount, as specified in the applicable Final Terms.

"**€STR**" means the euro short-term rate published by the European Central Bank.

**ISSUER**

**Banca Monte dei Paschi di Siena S.p.A.**

Piazza Salimbeni, 3

53100 Siena

Italy

**GUARANTOR**

**MPS Covered Bond 2 S.r.l.**

Via Vittorio Alfieri, 1

31015 Conegliano (TV)

Italy

**INITIAL DEALERS**

**Banca Finanziaria Internazionale S.p.A.**

Via Vittorio Alfieri, 1

31015 Conegliano (TV)

Italy

**Mediobanca – Banca di Credito Finanziario S.p.A.**

Piazzetta Enrico Cuccia, 1

20121 – Milan

Italy

**REPRESENTATIVE OF THE BONDHOLDERS, GUARANTOR CALCULATION AGENT AND GUARANTOR CORPORATE SERVICER**

**Banca Finanziaria Internazionale S.p.A.**

Via Vittorio Alfieri, 1

31015 Conegliano (TV)

Italy

**PRINCIPAL PAYING AGENT, ITALIAN ACCOUNT BANK, CASH MANAGER, MAIN SERVICER, MAIN SUBORDINATED LENDER AND TEST CALCULATION AGENT**

**Banca Monte dei Paschi di Siena S.p.A.**

Piazza Salimbeni, 3

53100 Siena

Italy

**ADDITIONAL ACCOUNT BANK**

**Crédit Agricole Corporate and Investment Bank, Milan Branch**

Piazza Cavour, 2

20121, Milan

Italy

**ASSET MONITOR**

**Deloitte & Touche S.p.A.**

Via Santa Sofia, 28

20122 Milan

Italy

**LEGAL AND TAX ADVISERS TO THE ISSUER**

*as to Italian law and Tax*

**Chiomenti**

Via Giuseppe Verdi, 4

20121 Milan

Italy