BASE PROSPECTUS DATED 27 MAY 2022

Deutsche Bank S.p.A.

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

€4,000,000,000 Covered Bond Programme

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

DB Covered Bond S.r.l.

(*incorporated as a limited liability company 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".

The €4,000,000,000 Covered Bond Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**) has been established by Deutsche Bank S.p.A. (**DB S.p.A.** or the **Issuer**) for the issuance of covered bonds (the **Covered Bonds**) guaranteed by DB Covered Bond S.r.l. (the **Guarantor**) pursuant to Article 7-bis of law of 30 April 1999, No. 130 as amended from time to time (the **Law 130**) as implemented by Decree of the Ministry of Economy and Finance of 14 December 2006, No. 310 as amended from time to time (the **MEF Decree**), and the supervisory instructions relating to covered bonds (*obbligazioni bancarie garantite*) under Part III, Chapter 3, of the Circular of the Bank of Italy No. 285 dated 17 December 2013, containing the "*Disposizioni di Vigilanza per le Banche*", as further implemented or amended (the **BoI Regulations** and, together with the Law 130 and the MEF Decree, jointly the **OBG Regulations**). The maximum aggregate nominal amount of all the Covered Bonds from time to time outstanding under the Programme will not exceed €4,000,000,000 (or its equivalent in other currencies calculated as described herein).

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

This Base Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the CSSF), which is the competent authority under Regulation (EU) 2017/1129 (the Prospectus Regulation) in the Grand Duchy of Luxembourg, as a base prospectus issued in compliance with the Prospectus Regulation for the purposes of giving information with regard to the issue of Covered Bonds under the Programme during the period of 12 months after the date hereof. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. By approving this Base prospectus the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 6(4) of the *loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières* dated 16 July 2019 (the **Luxembourg Prospectus Law**).

Application has been made for Covered Bonds to be admitted during the period of 12 months from the date of this Base Prospectus to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU. **As referred to in Article 6(4) of the Luxembourg Prospectus Law, by approving this Base Prospectus, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the issuer.**

In addition, the Issuer and the Dealers named under "Subscription and Sale" may agree to make an application to list a Series or Tranche on any other stock exchange as specified in the relevant Final Terms. The Programme also permits Covered Bonds to be issued on an unlisted basis.

Where Covered Bonds issued under the Programme are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, such Covered Bonds will not have a denomination of less than €100,000 (or, where the Covered Bonds are issued in a currency other than euro, the equivalent amount in such other currency).

Under the Programme, the Issuer may issue Covered Bonds denominated in any currency, including Euro, GBP, CHF, Yen and USD. Interest on the Covered Bonds shall accrue monthly, quarterly, semi-annually, annually or on such other basis as specified in the relevant Final Terms (as defined in the "*Terms and Conditions of the Covered Bonds*" below), in arrear at fixed or floating rate, increased or decreased by a margin. The Issuer may also issue Covered Bonds at a discounted price with no interest accruing and repayable at nominal value (zero-coupon Covered Bonds).

The terms of each Series or Tranche will be set forth in the Final Terms relating to such Series or Tranche prepared in accordance with the provisions of this Base Prospectus and, if listed, to be delivered to the regulated market of the Luxembourg Stock Exchange on or before the date of issue of such Series or Tranche.

The Covered Bonds issued in dematerialised form will be held on behalf of their ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. whose registered office is in Milan, at Piazza degli Affari, No. 6, Italy, (**Monte Titoli**) for the account of the relevant Monte Titoli Account Holders. The expression **Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System. The expression **Relevant Clearing Systems** means any of Clearstream Banking, Société Anonyme (**Clearstream**) and Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**). Each Series or Tranche is and will be deposited with Monte Titoli on the relevant Issue Date (as defined in the "Terms and Conditions of the Covered Bonds" below). Monte Titoli shall act as depositary for Clearstream and Euroclear. The Covered Bonds issued in dematerialised form will at all times be held in book entry form and title to the Covered Bonds will be evidenced by book entries in accordance with the provisions of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the **Financial Law**) and implementing regulations and with the joint regulation of the Commissione Nazionale per le Società e la Borsa (**CONSOB**) and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as subsequently amended and supplemented. No physical document of title is and will be issued in respect of the Covered Bonds issued in dematerialised form.

Before the Maturity Date the Covered Bonds will be subject to mandatory and optional redemption in whole or in part in certain circumstances, as set out in Condition 8 (*Redemption and Purchase*).

The Issuer may agree with the Dealers that Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds herein, in which event (in the case of Covered Bonds admitted to the Official List only) a supplement to the base prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

Each Series or Tranche may, on or after the relevant issue, be assigned a rating as specified in the relevant Final Terms by Moody's Investors Services Limited (**Moody's**) and any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme (the **Rating Agency**). The rating of certain Series or Tranches to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended, (the **CRA Regulation**) will be disclosed in the Final Terms. The credit ratings included or referred to in this Base Prospectus may be issued by Moody's, which is established in the European Union and is registered under the CRA Regulation (as amended). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such CRA Regulation as of the date of this Prospectus.

A credit rating, if provided, is not a recommendation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal by the assigning Rating Agency at any time and each rating shall be evaluated independently of any other.

An investment in Covered Bond issued under the Programme involves certain risks. For a discussion of certain risks and other factors that should be considered in connection with an investment in the Covered Bonds, see the section entitled "*Risk Factors*" of this Base Prospectus.

Arranger

Deutsche Bank S.p.A.

Dealers

Deutsche Bank S.p.A.

Deutsche Bank Aktiengesellschaft

RESPONSIBILITY STATEMENTS

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

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

The Seller accepts responsibility for the information contained in this Base Prospectus in the sections headed "*Description of the Seller*", "*Description of the Cover Pool*" and "*Credit and Collection Policies*". To the best of the knowledge of the Seller (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 8.1 of the Prospectus Regulation.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of Covered Bonds are the persons named in the applicable Final Terms as the Dealers.

Copies of the Final Terms will be available from the registered office of the Issuer and the Specified Office set out below of the Luxembourg Listing Agent (as defined below) and on website of the Luxembourg Stock Exchange (www.bourse.lu).

This Base Prospectus is to be read and construed in conjunction with any supplement hereto, all documents which are deemed to be incorporated herein by reference (see "*Documents incorporated by reference*") and form part of this Base Prospectus and, in relation to any Series of Covered Bonds, with the relevant Final Terms.

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

The information cointained in this Base Prospectus was obtained from the Issuer and the other sources identified herein and neither the Arranger nor the Dealers nor the Representative of the Covered Bondholders have independently verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers and the Representative of the Covered Bondholders as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer, the Seller and the Guarantor in connection with the Programme. Neither the Dealers nor the Representative of the Covered Bondholders nor the Principal Paying Agent, the Italian Paying Agent, the Luxembourg Listing Agent, the Calculation Agent (the **Agents**) accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by Issuer, the Seller and the Guarantor in connection with the Programme or the adequacy, accuracy, reasonableness or completeness of the same.

The Issuer, and in respect of the information relating to themselves only, the Seller and the Guarantor, having made all reasonable enquiries, confirm that this Base Prospectus contains all information which, according to the particular nature of the Issuer, the Seller, the Guarantor and the Covered Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Seller, the Guarantor and of the rights attaching the Covered Bonds, that the information contained herein is true, accurate and not misleading in all material respects, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer, and in respect of the information relating to themselves only, the Seller and the Guarantor accept responsibility accordingly.

No person is or has been authorised by the Issuer or the Seller or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or 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 Seller, the Guarantor, the Dealers or any party to the Transaction Documents (as defined in the Conditions).

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Seller, the Guarantor, the Arranger or Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase the Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Seller or the Guarantor or the Dealers to any person to subscribe for or to purchase any Covered Bonds.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of the Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer, the Seller and the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer, the Seller and the Guarantor during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention.

This Base Prospectus is valid for 12 months following its date of approval (i.e. until **27** May 2023) and it and any supplement hereto as well as any Final Terms filed within these 12 months reflects the status as of their respective dates of issue. The offering, sale or delivery of any Covered Bonds may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has undertaken with the Dealers to supplement this Base Prospectus or publish a new Base Prospectus if and when the information herein should become materially inaccurate or incomplete and has further agreed with the Dealers to furnish a supplement to the Base Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds and which arises or is noted between the time when this Base Prospectus has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, whichever occurs later, in respect of Covered Bonds issued on the basis of this Base Prospectus. In any case, the obligation to supplement this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus does not apply when this Base Prospectus is no longer valid.

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

For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Base Prospectus or any Final Terms and other offering material relating to the Covered Bonds, see "*Selling Restrictions*" of this Base Prospectus. In particular, the Covered Bonds and the related Covered Bond Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state or political sub-division of the United States. Subject to certain exceptions, the Covered Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons. There are further restrictions on the distribution of this Base Prospectus and the offer or sale of Covered Bonds in the European Economic Area, including the United Kingdom, the Republic of Ireland, Germany, the Republic of Italy, and in Japan. For a description of certain restrictions on offers and sales of Covered Bonds and on distribution of this Base Prospectus, see "*Subscription and Sale*".

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

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

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

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

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

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

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

IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Covered Bonds include a legend entitled "*Prohibition of Sales to 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 instrument, as amended (**MiFID II**); or (ii) a customer within the meaning of Directive (UE) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the 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.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds include a legend entitled "*Prohibition of Sales to UK 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive No. 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bond, but otherwise neither the Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance / target market - The Final Terms in respect of any Covered Bonds will include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the 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 the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

MARKET INFORMATION AND STATISTICS

Unless otherwise indicated, information and statistics presented in this Base Prospectus regarding the market share of the Issuer are either derived from, or are based upon, the Issuer's analysis of data obtained from public sources. Although these sources are believed by the Issuer to be reliable, the Issuer has not independently verified such information, but the Issuer takes responsibility for the correct reproduction of such information.

FORWARD LOOKING STATEMENTS

This Base Prospectus may contain certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer's and the Group's business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate", "aim", "intend", "plan", "continue" or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

Any forward-looking statements are only made as of the date of this Base Prospectus, and the Issuer does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Base Prospectus. Many factors may cause the Issuer's or the Group's results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Base Prospectus.

ALTERNATIVE PERFORMANCE MEASURES

This Base Prospectus contains, or incorporates by reference, certain alternative performance measures ("**APMs**"), as defined in the guidelines issued on 5 October 2015 by the European Securities and Markets Authority ("**ESMA**") (ESMA/2015/1415), concerning the presentation of APMs disclosed in regulated information and prospectuses published on or after 3 July 2016. Such APMs, although not recognised as financial measures under International Financial Reporting Standards ("**IFRS**"), have been identified and are used by the management of the Issuer to monitor the Group's financial and operating performance. Investors should view the APMs as complementary to, and not a substitute for, the figures determined according to IFRS.

This Prospectus includes the information on the Issuer's return on assets ("**ROA**"), return on equity ("**ROE**"), cost to income ratio ("**CIR**") and return on tangible net equity ("**RoTE**"), which are alternative performance measures, as defined by the ESMA's Guidelines on Alternative Performance Measures (defined above), and are used by the management of the Issuer to monitor its financial and operating performance:

ROA

The term return on assets (ROA) refers to a financial ratio that indicates how profitable a company is in relation to its total assets.

The Issuer presents ROA because management believes it is a meaningful measure to determine how efficiently the Bank uses its assets to generate a profit.

(Figures in Eur)

RoA (Return on Assets)	31/12/2021	31/12/2020
(A) Total assets previous year	26.445.925.092	25.315.005.705
(B) Total assets current year	30.726.806.997	26.445.925.092
(C) = [(A)+(B)]/2	28.586.366.045	25.880.465.399
(D) = Profit (loss) for the year	35.728.392	(18.320.207)
RoA (Return on Assets) = (D)/(C)	**0,12%**	**-0,07%**

ROE

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE is considered the return on net assets.

The Issuer presents ROE because management believes it is a meaningful considered a gauge of the Bank's profitability and how efficient it is in generating profits.

(Figures in Eur)

RoE (Return on Equity)	31/12/2021	31/12/2020
(A) Total equity previous year	1.878.289.559	1.757.994.187
(B) Total equity current year	2.102.001.925	1.878.289.559
(C) = [(A)+(B)]/2	1.990.145.742	1.818.141.873
(D) = Profit (loss) for the year	35.728.392	(18.320.207)
RoE (Return on Equity) = (D)/(C)	**1,795%**	**-1,008%**

CIR

The cost to income ratio (CIR) is an important financial metric in determining the profitability of banks. The measure looks at the cost of running operations as to a bank's operating income. Lower ratios mean that a bank is running more profitably whereas a higher cost to income ratio indicate the banks operating expenses are too high.

The Issuer presents CIR because management believes it is a meaningful considered a gauge of the Bank's profitability and how efficient it is in generating profits.

(Figures in Eur)

CIR (Cost to Income Ratio)	31/12/2021	31/12/2020
(A) Operating costs	(813.515.261)	(783.911.766)
(B) Total income	953.063.129	896.558.846
Cost / Income ratio = (A)/(B)	**85,36%**	**87,44%**

RoTE

Adjusting the capital measure to exclude intangible assets is more consistent with how regulatory capital is calculated. So, the return on tangible net equity (RoTE) allows to assess how efficiently management allocates their regulatory capital base.

The Issuer presents RoTE because management believes it is a key performance indicator of how the bank allocates its regulatory capital base.

(Figures in Eur)

RoTe (Return on Tangible Net Equity)	31/12/2021	31/12/2020
(A)Total equity previous year	1.878.289.559	1.757.994.187
(B)Intangible Assets previous year	47.347.215	52.933.018
(C) = (A) - (B) Total equity net Intangible assets previous year	1.830.942.344	1.705.061.169
(D)Total equity current year	2.102.001.925	1.878.289.559
(E)Intangible Assets current year	39.121.515	47.347.215
(F)= (D) - (E) Total equity net Intangible assets current year	2.062.880.410	1.830.942.344
(G) = [(C)+(F)]/2	1.946.911.377	1.768.001.757
(H) = Profit (loss) for the year	35.728.392	(18.320.207)
RoTE (Return on Tangible Net Equity) = (H)/(G)	**1,835%**	**-1,036%**

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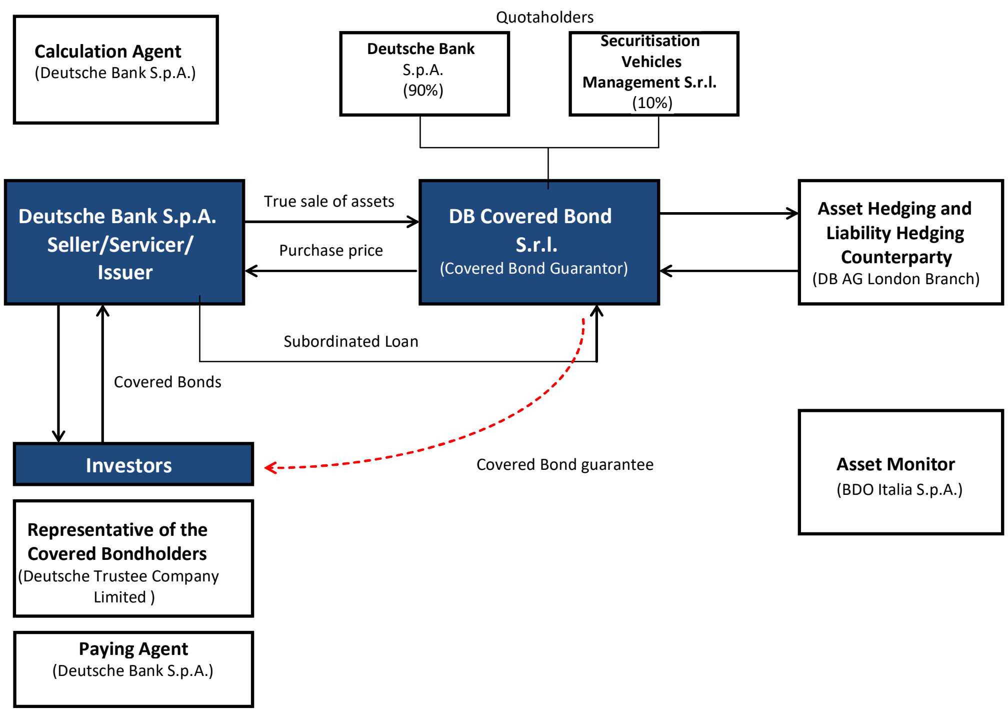
GENERAL DESCRIPTION OF THE PROGRAMME

The following section contains a structure diagram and a general description of the Programme for the purposes of the Article 25 of Commission Delegated Regulation (EU) 2019/980 and, as such, does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any Series or Tranche, the applicable Final Terms. Prospective purchasers of Covered Bonds should carefully read the information set out elsewhere in this Base Prospectus prior to making an investment decision in respect of the Covered Bonds. In this section, references to a numbered condition are to such condition in "Terms and Conditions of the Covered Bonds" below.

STRUCTURE DIAGRAM



1. PARTIES

Issuer	Deutsche Bank S.p.A., a bank incorporated in Italy as a joint stock company (*società per azioni*) whose registered office is in Milan, at Piazza del Calendario, No. 3, Italy, registered with the Companies' Register of Milan under number 01340740156 and registered with the Bank of Italy pursuant to article 13 of Legislative Decree No. 385 of 1 September, 1993 (the "**Consolidated Banking Act**") under number 3104.7, and which is the parent company of the Deutsche Bank S.p.A. Group (the "**Issuer**" or "**DB S.p.A.**").

Arranger	DB S.p.A. (the "**Arranger**").
Dealers	DB S.p.A. and Deutsche Bank Aktiengesellschaft and any other dealer appointed from time to time in accordance with the Programme Agreement.
Guarantor	DB Covered Bond S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy pursuant to Article 7 *bis* of Law No. 130 of 30 April, 1999, as amended from time to time (the **Law 130**), with a duration until 31 December, 2100, whose registered office is in Conegliano (TV), Via Vittorio Alfieri, No. 1, Italy, registered with the Companies' Register of Treviso under No. 04497970261, and in the register of financial intermediaries under No. 42016, pursuant to Article 106 of the Banking Law, belonging to the Deutsche Bank S.p.A. Group and subject to the direction and coordination (*attività di direzione e coordinamento*) of DB S.p.A. (the "**Guarantor**").
Seller	DB S.p.A. (the "**Seller**").
Servicer	DB S.p.A. (the "**Servicer**") will act as servicer pursuant to the Servicing Agreement.
Back-up Servicer Facilitator	Banca Finanziaria Internazionale S.p.A., a bank incorporated under the laws of Italy as a "*società per azioni*", with a sole shareholder, having its registered office in Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 71,817,500.00 fully paid up, tax code and enrolment in the Companies' Register of Treviso-Belluno number 04040580963, VAT Group "Gruppo IVA FININT S.P.A." - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the "*Fondo Interbancario di Tutela dei Depositi*" and of the "*Fondo Nazionale di Garanzia*" ("**Banca Finint**") will act as back-up servicer facilitator pursuant to the Servicing Agreement (the **Back-up Servicer Facilitator**).
Corporate Servicer	Banca Finint will act in its capacity as corporate servicer pursuant to the Corporate Services Agreement (the **Corporate Servicer**).
Asset Monitor	BDO Italia S.p.A., a company incorporated under the laws of the Republic of Italy, with registered office at Viale Abruzzi, 94, Milan, Italy, with Fiscal Code, VAT number and registration number with the companies register of Milan No. 07722780967, enrolled under No. 167911 with the Register of Certified Auditors held by the Ministry for

	Economy and Finance – Stage general accounting office as asset monitor under the Asset Monitor Agreement (the **Asset Monitor**).
Cash Manager	DB S.p.A. will act as cash manager under the Cash Management and Agency Agreement (the **Cash Manager**).
Account Bank	Deutsche Bank AG, London Branch will act as account bank pursuant to the Cash Management and Agency Agreement (the "**Account Bank**"), for the purpose of maintaining and operating the Expense Account, the Investment Account, Transaction Account, the Reserve Account, the Collateral Account and the Securities Account (if any).
Calculation Agent	Pursuant to the Cash Management and Agency Agreement, DB S.p.A. will act as calculation agent (the **Calculation Agent**). The Calculation Agent will perform certain calculations and conduct certain tests pursuant to the Cash Management and Agency Agreement and the Cover Pool Administration Agreement.
Mortgage Pool Swap Counterparty	Any institution which agrees to act as mortgage pool swap counterparty (the "**Mortgage Pool Swap Counterparty**") to the Guarantor under a mortgage pool swap agreement executed with the Guarantor in order to hedge interest rate risk on the Mortgage Cover Pool (the "**Mortgage Pool Swap**"). The initial Mortgage Pool Swap Counterparty will be Deutsche Bank AG, London Branch.
Covered Bond Swap Counterparty	Any institution which agrees to act as covered bond swap counterparty (each, a "**Covered Bond Swap Counterparty**") to the Guarantor under a covered bond swap agreement which may be executed with the Guarantor in order to hedge certain interest rate risks, and possibly currency risks, in respect of amounts to be paid on the Covered Bonds (the "**Covered Bond Swap**").
Asset Swap Counterparty	Any institution which agrees to act as asset swap counterparty (each, an "**Asset Swap Counterparty**") to the Guarantor under an asset swap agreement which may be executed with the Guarantor in order to hedge certain interest rate risks, and possibly currency risks, in respect of amounts received by the Guarantor under the ABS and/or Public Assets (the "**Asset Swap**").
Cover Pool Swap Counterparties	Each Mortgage Pool Swap Counterparty and, as the case may be, each Asset Swap Counterparty, if any.
Swap Counterparties	Each Cover Pool Swap Counterparty and each Covered Bond Swap Counterparty, if any.

Swap Agreements	The Mortgage Pool Swap and, if any, the Covered Bond Swap(s) and the Asset Swap(s), that may be entered into between the Guarantor and the relevant Swap Counterparty during the life of the Programme, each of which is documented in accordance with the documentation published by the International Swaps and Derivatives Association Inc. ("**ISDA**"), which are in particular: (i) 1992 ISDA Master Agreement with the Schedule thereto ("**ISDA Master Agreement**"); (ii) 1995 ISDA Credit Support Annex (Transfer-English Law) to the Schedule to the ISDA Master Agreement ("**CSA**"); and (iii) the relevant Confirmation(s) entered into between the Guarantor and each Mortgage Pool Swap Counterparty, each Covered Bond Swap Counterparty and each Asset Swap Counterparty respectively.
Principal Paying Agent	Deutsche Bank AG, London Branch, a bank organised under the laws of the Federal Republic of Germany and having its principal place of business at Taunusanlage 12 in the City of Frankfurt (Main) and operating in the United Kingdom under branch member BR000005 at Wincester House, 1 Great Wincester Street, London EC2N2DB, England, will act as principal paying agent under the Programme pursuant to the provisions of the Cash Management and Agency Agreement (the "**Principal Paying Agent**").
Italian Paying Agent	DB S.p.A. will act as Italian Paying Agent under the Programme pursuant to the provisions of the Cash Management and Agency Agreement (the "**Italian Paying Agent**").
Luxembourg Listing Agent	Deutsche Bank Luxembourg Societé Anonyme, a bank organised as *societé anonyme* under the laws of Luxembourg, whose registered office is at 2bd Konrad Adenauer, L-115 Luxembourg, will act as Luxembourg listing agent under the Programme (the "**Luxembourg Listing Agent**").
Representative of the Covered Bondholders	Deutsche Trustee Company Limited, a company organised as a limited company under the laws of England and Wales, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, will act as representative of the covered bondholders pursuant to the Programme Agreement and the Rules of the Organisation of Covered Bondholders (the "**Representative of the Covered Bondholders**").

Ownership or control relationships between the principal parties

As of the date of the Base Prospectus, no direct or indirect ownership or control relationships exist between the principal parties described above in this Section, other than the relationship existing between the DB S.p.A. (as Issuer, Seller, Servicer and its other roles as indicated above) and the Guarantor, both of which belong to the Deutsche Bank S.p.A. Group and the relationship existing between the DB S.p.A. (as Issuer, Seller, Servicer and its other roles as indicated above) and Deutsche Bank AG, London Branch (as Principal Paying Agent and Account Bank), Deutsche Trustee Company Limited (as Representative of the Covered Bondholders) and Deutsche Luxembourg Societè Anonime (as Luxembourg Listing Agent), all of which belonging to the Deutsche Bank Group.

The entities belonging to the Deutsche Bank S.p.A. Group are subject to the direction and coordination (*direzione e coordinamento*) of DB S.p.A.

Deutsche Bank S.p.A. Group means jointly the banks and the other companies belonging from time to time to the Deutsche Bank S.p.A. banking group registered with the Bank of Italy pursuant to Article 64 of the Consolidated Banking Act.

Deutsche Bank Group means jointly the banks and the other companies belonging from time to time to the Deutsche Bank international banking group, subject to the direction and coordination of Deutsche Bank AG, Frankfurt.

Rating Agency

Moody's Investors Services Limited (**Moody's**), and/or any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme (the **Rating Agency**). Whether or not a rating in relation to any Tranche or Series of Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. The credit ratings included or referred to in the Base Prospectus may be issued by Moody's, which is established in the European Union and is registered under the CRA Regulation (as amended). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such CRA Regulation as of the date of the Base Prospectus.

2. THE COVERED BONDS AND THE PROGRAMME

Description	A covered bond programme under which Covered Bonds will be issued by the Issuer to Covered Bondholders and guaranteed by the Guarantor.
Programme Amount	Up to €4.000.000.000 (and for this purpose, any Covered Bonds (*Obbligazioni Bancarie Garantite*) denominated in another currency shall be translated into Euro at the date of the agreement to issue such Covered Bonds, and the Euro exchange rate used shall be included in the Final Terms) in aggregate principal amount of Covered Bonds outstanding at any time (the **Programme Limit**). The Programme Limit may be increased in accordance with the terms of the Programme Agreement and, according to Article 18, letter (i), of the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing the Prospectus Regulation, the Issuer will publish a supplement to the Prospectus.
Distribution of the Covered Bonds	The Covered Bonds may be distributed on a syndicated or non-syndicated basis, in each case only in accordance with the relevant selling restrictions.
Selling Restrictions	The offer, sale and delivery of the Covered Bonds and the distribution of offering material in certain jurisdictions may be subject to certain selling restrictions. Persons who are in possession of the Base Prospectus are required by the Issuer, the Dealer and the Arranger to inform themselves about, and to observe, any such restriction. The Covered Bonds and the related Covered Bond Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or political sub-division of the United States. Subject to certain exceptions, the 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 the Base Prospectus and the offer or sale of Covered Bonds in the European Economic Area, including the United Kingdom, the Republic of Ireland, Germany, the Republic of Italy, and in Japan. For a description of certain restrictions on offers and sales of Covered Bonds and on distribution of the Base Prospectus, see section "*Subscription and Sale*" of the Base Prospectus.
Specified Currency	Covered Bonds may be issued in such currency or currencies as may be agreed from time to time between the Issuer and the Dealer and indicated in the applicable Final Terms (each a **Specified Currency**), subject to compliance with all applicable legal, regulatory and/or central bank requirements.

Denomination of Covered Bonds	In accordance with the Conditions, 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 or regulatory or central bank requirements (see Condition 3 (*Form, Denomination and Title*)). The minimum denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency).
Issue Price	Covered Bonds may be issued at an issue price which is at par or at a discount to, or at a premium over, par, as specified in the relevant Final Terms (in each case, the **Issue Price** for such Series or Tranche).
Issue Date	The date of issue of a Series or Tranche of Covered Bonds, pursuant to, and in accordance with, the Programme Agreement (each, the **Issue Date** in relation to such Series or Tranche).
Initial Issue Date	The date on which the Issuer will issue the first Series of Covered Bonds (the **Initial Issue Date**).
CB Payment Date	The dates specified as such in, or determined in accordance with the provisions of the Conditions and the relevant Final Terms, subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention (as defined in the Conditions) (such date, a **CB Payment Date**).
CB Interest Period	Each period beginning on (and including) a CB Payment Date (or, in case of the first CB Interest Period, the Interest Commencement Date) and ending on (but excluding) the next CB Payment Date (or, in case of the last CB Interest Period, the Maturity Date) (**CB Interest Period**).
Interest Commencement Date	In relation to any Series or Tranche of Covered Bonds, the Issue Date of such Covered Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms (**Interest Commencement Date**).
Form of Covered Bonds	The Covered Bonds will be issued and will be held 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 in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli account holders. Each Series or Tranche will be deposited with Monte Titoli on the relevant Issue Date in accordance with Article 83-*bis* of the Financial Law. Monte Titoli shall act as depositary for Clearstream and Euroclear. The Covered Bonds issued in dematerialised form will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of (i) Article 83-bis *et seq.* of the Financial Law and the relevant implementing regulations and (ii) the regulation issued by the bank of Italy and the *Commissione Nazionale per le Società e per la Borsa* ("**CONSOB**") on 13 August 2018, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Covered Bonds issued in dematerialised form.

Types of Covered Bonds

In accordance with the Conditions, the Covered Bonds may be Amortising Covered Bonds, Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The Covered Bonds may be Covered Bonds scheduled to be redeemed in full on the Maturity Date and Covered Bonds repayable in one or more instalments or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms. Each Series or tranche shall be comprised of Fixed Rate Covered Bonds only or Floating Rate Covered Bonds only or Amortising Covered Bonds only or Zero Coupon Covered Bonds only or such other Covered Bonds accruing interest on such other basis and at such other rate as may be so specified in the relevant Final Terms only.

Amortising Covered Bonds: Covered Bonds with a predefined amortisation schedule where, in addition to interest, the Issuer will pay, on each relevant CB Payment Date, a portion of principal up to the relevant Maturity Date (as set out in the applicable Final Terms) in instalments.

Fixed Rate Covered Bonds: fixed interest on the Covered Bonds will be payable in accordance with the relevant Final Terms, on such date as may be agreed between the Issuer and the Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Floating Rate Covered Bonds: Floating Rate Covered Bonds will bear interest at a rate determined in accordance with the Conditions and the relevant Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the Dealer for each Series or Tranche of Floating Rate Covered Bonds.

Zero Coupon Covered Bonds: Zero Coupon Covered Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

Issuance in Series

Covered Bonds will be issued in Series, but on different terms from each other, subject to the terms set out in the relevant Final Terms in respect of such Series. Covered Bonds of different Series will not be fungible among themselves. Series may be issued in more than one tranche (each a **Tranche**) which are fungible among themselves within the Series and are identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments. The Issuer will issue Covered Bonds without the prior consent of the holders of any outstanding Covered Bonds but subject to certain conditions (see "*Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds*" below).

Final Terms

Specific final terms will be issued and published in accordance with the generally applicable terms and conditions of the Covered Bonds (the **Conditions**) prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series or Tranche only, completes the Conditions and the Base Prospectus and must be read in conjunction with the Base Prospectus (such specific final terms, the **Final Terms**). The terms and conditions applicable to any particular Series or Tranche are the Conditions as completed by the relevant Final Terms.

Interest on the Covered Bonds

Except for the Zero Coupon Covered Bonds and unless otherwise specified in the Conditions and the relevant Final Terms, the Covered Bonds will be interest-bearing and interest will be calculated on the principal amount outstanding of the relevant Covered Bonds (the **Principal Amount Outstanding**). Interest will be calculated on the basis of such Day Count Fraction in accordance with the Conditions and in the relevant Final Terms. Interest may accrue on the Covered Bonds at a fixed rate or a floating rate or on such other basis and at such rate as may be so specified in the relevant Final Terms and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche.

Interest Rate Conversion

The relevant Final Terms may specify, with respect to a Series of Covered Bonds which are Fixed Rate Covered Bonds, that, in the event such Covered Bonds are not redeemed in full on the Maturity Date, the interest rate payable on such Covered Bonds converts to a floating rate index plus a conversion margin in accordance with the terms specified in the relevant Final Terms.

Redemption of the Covered Bonds

The applicable Final Terms relating to each Series or Tranche of Covered Bonds will indicate either (a) that the Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified cases, e.g. redemption by instalments if applicable, taxation reasons, or if it becomes unlawful for any Covered Bonds to remain outstanding, or following a Guarantor Event of Default), or (b) that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Representative of Covered Bondholders on behalf of the holders of the Covered Bonds (the **Covered Bondholders**) and in accordance with the provisions of the Conditions and of the relevant Final Terms, on a date or dates specified prior to such maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Dealer (as set out in the applicable Final Terms) or (c) that such Covered Bonds will be redeemable at the option of the Covered Bondholders, as provided in Condition 8(viii) (*Redemption at the Option of Covered Bondholders*).

Covered Bonds may be redeemable at par as may be specified in the relevant Final Terms but in any case the redemption amount shall be at least equal to par value. Covered Bonds may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

Early Redemption of the Covered Bonds

In certain circumstances indicated under the Conditions (including an early redemption (i) for tax reasons or illegality, or (ii) following a delivery by the Representative of the Covered Bondholders of an Acceleration Notice upon the Covered Bond Guarantor), the Covered Bonds may be early redeemed at their Early Redemption Amount.

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

Tax Gross Up and Redemption for taxation reasons

Payments in respect of the Covered Bonds to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by Italy, subject to the provisions of Condition 8(e) ((*Redemption for tax reasons*)).

If any tax deduction is made, the Issuer shall be required to pay additional amounts in respect of the amounts so deducted or withheld, subject to a number of exceptions including deductions on account of Italian substitute tax pursuant to Decree 239. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Covered Bonds will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition (8)(e) (*Redemption for tax reasons*).

The Guarantor will not be liable to pay any additional amount due to taxation reasons following an Issuer Event of Default (as defined below).

Maturity Date

The maturity date for each Series or Tranche (the **Maturity Date**) will be specified in the relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the currency of the Covered Bonds. Unless previously redeemed as provided in Condition 8 (*Redemption and Purchase*), and subject to any provision regarding the extension of maturity which may be included in the Final Terms, the Covered Bonds of each Series or Tranche will be redeemed at their Principal Amount Outstanding on the relevant Maturity Date.

Extended Maturity Date

The applicable Final Terms relating to each Series or Tranche of Covered Bonds may also provide that the Guarantor's obligations under the Covered Bond Guarantee to pay Guaranteed Amounts equal to the Final Redemption Amount (as defined below) of the applicable Series or Tranche of Covered Bonds on their Maturity Date may be deferred pursuant to the Conditions (the **Extended Maturity Date**). Such deferral will automatically occur, if so stated in the relevant Final Terms, if:

(a) an Issuer Event of Default has occurred; and

(b) the Guarantor has insufficient moneys available (in accordance with the Post-Issuer Event of Default Priority of Payments) to pay in full any amount representing the Guaranteed Amounts corresponding to the amount due (subject to the applicable grace period) in respect of the relevant Series or Tranche of Covered Bond as set out in the relevant Final Terms (the **Final Redemption Amount**) on the Extension Determination Date.

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

Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date, provided that, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Guarantor on any CB Payment Date thereafter according to the relevant Final Terms, up to (and including) the relevant Extended Maturity Date. Interest will continue to accrue and be payable on any unpaid amount up to the Extended Maturity Date in accordance with Condition 8(ii) (*Extension of maturity*).

Ranking of the Covered Bonds

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

Recourse

In accordance with the legal framework established by Law 130 and the Decree of the Ministry of Economy and Finance No. 310 of 14 December 2006 (the **MEF Decree**) and with the terms and conditions of the relevant Transaction Documents (as defined below), the Covered Bondholders will benefit from recourse on the Issuer and limited recourse on the Guarantor. The obligation of the Guarantor under the Covered Bond Guarantee shall be limited recourse to the Available Funds.

Provisions of Transaction Documents

The Covered Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them. In particular, each Covered Bondholder, by reason of holding Covered Bonds, recognises the Representative of the Covered Bondholders as its representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the Covered Bondholders as if such Covered Bondholder was a signatory thereto.

Conditions Precedent to the Issuance of a new Series or Tranche of Covered Bonds	The Issuer will be entitled to (but not obliged to) at its option, on any date and without the consent of the holders of the Covered Bonds issued beforehand and of any other creditors of the Guarantor or of the Issuer, issue further Series or Tranche of Covered Bonds other than the first issued Series or Tranche, subject to: (i) satisfaction of the Tests both before and immediately after such further issue of Covered Bonds; and (ii) compliance with the requirements of issuing/assigning banks (*Requisiti delle banche emittenti e/o cedenti*; see Section II, Paragraph 1 of the BoI Regulations, the **Conditions to the Issue**); and (iii) no Issuer Event of Default (as defined below) having occurred. The payment obligations under the Covered Bonds issued under all Series shall be cross-collateralised by all the assets included in the Cover Pool, through the Covered Bond Guarantee (as defined below) (see also section "*Ranking of the Covered Bonds*").
Listing and admission to trading	Application has been made for the approval of the Base Prospectus by the CSSF as a base prospectus issued in compliance with the Prospectus Regulation. Application will be made for Covered Bonds issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. Covered Bonds may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the Dealer in relation to the Series or Tranche. Covered Bonds which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets. The CSSF has neither reviewed nor approved the information contained in this Base Prospectus in relation to any issuance of the Covered Bonds that are not to be publicly offered and not to be admitted to trading on the regulated market of any Stock Exchange in any Member State and for which a prospectus is not required in accordance with the Prospectus Regulation.

Settlement	Monte Titoli / Euroclear / Clearstream or any other clearing system as may be specified in the relevant Final Terms.
Governing law	The Covered Bonds and the Transaction Documents will be governed by Italian law, except for the Swap Agreements and the Deed of Charge, which will be governed by English law.
Ratings	Each Series or Tranche of Covered Bonds issued under the Programme may be assigned a rating by the Rating Agencies or may be unrated as specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes unless (1) such rating is issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under Regulation (EC) No. 1060/2009, as amended (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 Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (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. **A credit rating, if provided, is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agency**.

Purchase of the Covered Bonds by the Issuer

The Issuer may at any time purchase any Covered Bonds in the open market or otherwise and at any price. If purchase is made by tender, tenders must be available to all holders of the Series or Tranche which the Issuer intends to buy.

3. COVERED BOND GUARANTEE

Security for the Covered Bonds

In accordance with Law 130, by virtue of the Covered Bond Guarantee, the Covered Bondholders will benefit from a guarantee issued by the Guarantor which will, in turn, hold a portfolio of receivables transferred by the Seller consisting of certain Eligible Assets and Integration Assets (as defined below).

The Eligible Assets

The receivables forming part of the Cover Pool may consist of some or all of the following assets: (i) Italian residential mortgage loans (*mutui ipotecari residenziali*) pursuant to Article 2, paragraph 1, lett. (a), of the MEF Decree (the **Mortgage Loans** and, collectively, the **Mortgage Cover Pool**); (ii) loans granted to, or guaranteed by (on the basis of "guarantees valid for the purpose of credit risk mitigation" (*garanzie valide ai fini della mitigazione del rischio di credito*), as defined by Article 1, paragraph 1, lett. h) of the MEF Decree), the public entities indicated in Article 2, paragraph 1, lett. (c), of the MEF Decree (including (a) ministerial bodies and local or regional bodies, located within an Eligible State for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; (b) public administrations located outside an Eligible State, for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach – or regional or local public entities or non-economic administrative entities, located outside an Eligible State, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach; (iii) securities issued or guaranteed by the public entities referred to under paragraph (ii) above ((ii) and (iii) to be jointly referred to as the **Public Assets**, provided that the Public Assets may not amount to more than 10% of the aggregate nominal value of the Cover Pool); and (iv) securities issued in the framework of securitisations with 95% of the underlying assets of the same nature as in (i), (ii) and (iii) above and for which a 20% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach (the **ABS**). Assets under (i), (ii), (iii) and (iv) are jointly defined as the **Eligible Assets**.

Limit to the transfer of Public Assets

The maximum aggregate amount of Public Assets which may from time to time be assigned to the Guarantor and included in the Cover Pool shall be no higher than 10% of the Cover Pool, provided that such limit may be exceeded if necessary in order to cure a breach of Tests.

The Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee the Guarantor will be obliged to pay Guaranteed Amounts in respect of the Covered Bonds on the relevant Due for Payment Date in accordance with the relevant Priority of Payments (as defined therein).

The obligations of the Guarantor to make payments in respect of the Guaranteed Amounts when due for payment are subject to the conditions that an Issuer Event of Default has occurred and a Notice to Pay has been served by the Representative of the Covered Bondholders on the Issuer and on the Guarantor or, if earlier, a Guarantor Event of Default has occurred and an Acceleration Notice has been served on the Guarantor. The obligations of the Guarantor will accelerate with respect to all Guaranteed Amounts once an Acceleration Notice has been delivered to the Guarantor.

The obligations of the Guarantor under the Covered Bond Guarantee shall constitute a first demand, unconditional and independent guarantee (*garanzia autonoma*) and certain provisions of the Italian civil code relating to non-autonomous personal guarantees (*fidejussioni*), specified in the MEF Decree, shall not apply to the Covered Bond Guarantee. Accordingly, the obligations under the Covered Bond Guarantee shall be direct, unconditional, unsubordinated obligations of the Guarantor, with limited recourse to the Available Funds (as defined below), irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the Issuer.

4. ISSUER EVENTS OF DEFAULT, GUARANTOR EVENTS OF DEFAULT AND PRIORITIES OF PAYMENTS

Issuer Events of Default

The following events with respect to the Issuer shall constitute **Issuer Events of Default**:

(i) failure by the Issuer for a period of 15 days or more to pay any principal or redemption amount, or any interest on the Covered Bonds of any Series or Tranche when due; or

(ii) breach by the Issuer of any material obligations under or in respect of the Covered Bonds (of any

Series or Tranche outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to ensure compliance of the Cover Pool with the tests), (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required), and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iii) if, following the delivery of a Breach of Test Notice, the Tests (as defined below) are not met at, or prior to, the next Calculation Date unless the Representative of the Covered Bondholders or the Meeting of the Organisation of the Covered Bondholders resolves otherwise; or

(iv) an Insolvency Event of the Issuer; or

(v) an Article 74 Event has occurred (as defined below).

If an Issuer Event of Default occurs, the Representative of the Covered Bondholders will serve a notice (the **Notice to Pay**) on the Issuer and Guarantor that an Issuer Event of Default has occurred, (specifying, in case of an Article 74 Event, that the Issuer Event of Default may be temporary) unless an Extraordinary Resolution is passed resolving otherwise.

Upon the service of a Notice to Pay:

(a) each Series or Tranche of Covered Bonds will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (A) such events shall not trigger an acceleration against the Guarantor, (B) in accordance with Article 4, Paragraph 3, of the MEF Decree and pursuant to the relevant provisions of the Transaction Documents, the Guarantor shall be solely responsible for the exercise of the rights of the Covered Bondholders *vis-à-vis* the Issuer and (C) in case of an Article 74 Event (i) the Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period (as defined below) and (ii) upon the end of the Suspension Period the Issuer shall be responsible for meeting the payment obligations under the Covered Bonds (and for the avoidance of doubts, the Covered Bonds then outstanding will not be deemed to be accelerated against the Issuer);

(b) the Guarantor will pay any amounts due under the Covered Bonds on the Due for Payment Date in accordance with the provisions of the Covered Bond Guarantee (See Sections *Covered Bond Guarantee*);

(c) the Mandatory Tests shall continue to be applied and the Amortisation Test shall be also applied;

(d) no further Covered Bonds will be issued.

provided that, in case of an Article 74 Event, the effects listed in items from (a) to (c) above will only apply during the Suspension Period.

Suspension Period means the period of time following a resolution pursuant to Article 74 of the Consolidated Banking Act is passed in respect of the Issuer (the **Article 74 Event**), in which the Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the Guaranteed Amounts due and payable within the entire period in which the suspension continues.

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

Guarantor Events of Default

Following an Issuer Event of Default, the following events shall constitute **Guarantor Events of Default**:

(i) failure by the Guarantor for a period of 15 days or more to pay any amounts due for payment in respect of the Covered Bonds of any Series or Tranche; or

(ii) breach of the Mandatory Tests or the Amortisation Test on any Calculation Date; or

(iii) breach by the Guarantor of any material obligations under or in respect of the Covered Bonds (of any Series or Tranche outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to ensure compliance of the Cover

Pool with the tests), (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required), and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(iv) an Insolvency Event of the Guarantor.

If a Guarantor Event of Default occurs, the Representative of the Covered Bondholders shall serve a notice on the Guarantor (the **Acceleration Notice**) that a Guarantor Event of Default has occurred, unless an Extraordinary Resolution is passed resolving otherwise.

Upon the service of the Acceleration Notice, all Covered Bonds will become immediately due and payable by the Guarantor at their Early Redemption Amount, together with any accrued interest and they will rank *pari passu* amongst themselves.

Cross Acceleration

After the delivery of an Acceleration Notice with respect to a Series or Tranche, all Series or Tranche of Covered Bonds then outstanding will cross accelerate at the same time against the Guarantor, provided that the Covered Bonds does not otherwise contain a cross default provision and will thus not cross accelerate against the Guarantor in case of an Issuer Event of Default.

Pre-Issuer Event of Default Interest Priority of Payments

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the Guarantor will use Interest Available Funds (as defined below) to make payments or to make provisions towards payments due before the following Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay *pari passu* and *pro rata* according to the respective amounts thereof any and all taxes due and payable by the Guarantor, to the extent that such sums are not met by utilising the amounts standing to the credit of the Expense Account and to credit the amount necessary to replenish the Expense Account up to the Expense Required Amount;

(ii) *second*, to pay, *pari passu* and *pro rata*: a) according to the respective amounts thereof any Guarantor's documented fees, costs, expenses, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation (the **Expenses**), to the extent that such costs and expenses are not met by utilising the amount standing to the credit of the Expense Account; and b) the amounts of interest (if any) accrued on the Purchase Price due to the Seller on a preceding Transfer Date in accordance with the Master Transfer Agreement;

(iii) *third*, to pay, in the following order any amount due and payable (including, but not limited to, fees, costs and expenses) to the extent that these are not due by the Issuer to:

(A) the Representative of the Covered Bondholders;

(B) *pari passu* and *pro rata* according to the respective amounts thereof, the Calculation Agent, the Principal Paying Agent, the Italian Paying Agent, the Cash Manager, the Account Bank, the Cover Pool Manager (if any) and the Servicer;

(C) *pari passu* and *pro rata* according to the respective amounts thereof, the Corporate Servicer, the Asset Monitor; the Back-up Servicer Facilitator and the Back-up Servicer (if any);

(iv) *fourth*, any interest amount due to the Mortgage Pool Swap Counterparty and (if any) the Asset Swap Counterparty including any termination payment due and payable by the Guarantor, except the Excluded Swap Termination Amount;

(v) *fifth*, to pay *pari passu* and *pro rata*:

a) interest amounts due to the Covered Bond Swap Counterparties, *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Guarantor except the Excluded Swap Termination Amount); and

b) any Base Interest due and payable on each Guarantor Payment Date to the Seller pursuant to the terms of the Subordinated Loan Agreement, provided that the Tests are satisfied on such Guarantor Payment Date;

(vi) *sixth*, to credit the Potential Commingling Amount if required pursuant to the provisions of the Cover Pool Administration Agreement;

(vii) *seventh*, to credit to the Reserve Account an amount required to ensure that the Reserve Account is funded up to the Required Reserve Amount, as calculated on the immediately preceding Calculation Date;

(viii) *eighth*, upon the occurrence of a Servicer Termination Event, to credit all remaining Interest Available Funds to the Transaction Account until such Servicer Termination Event is either remedied or waived by the Representative of the Covered Bondholders or a new servicer is appointed;

(ix) *ninth*, to pay *pro rata* and *pari passu* in accordance with the respective amounts thereof any Excluded Swap Termination Amount;

(x) *tenth*, to allocate to the credit of the Principal Available Funds an amount equal to the amounts paid under item (i) of the Pre-Issuer Event of Default Principal Priority of Payments in the preceding Guarantor Payment Dates and not yet repaid under this item;

(xi) *eleventh*, to pay any Premium Interest on the Subordinated Loan, provided that no breach of Tests has occurred and is continuing.

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

For the avoidance of doubt any Swap Collateral Excluded Amounts will be paid to the relevant Swap Counterparty directly and not under the Priority of Payments

Swap Collateral Excluded Amounts means, at any time, cash and/or securities equivalent of the same type, nominal value and description as the Swap Collateral which is to be transferred back by the Guarantor to the relevant Swap Counterparty from time to time in accordance with the terms of the relevant Swap Agreement.

Guarantor Payment Date means the 26th day of each months of October, January, April and July, or if the last day is not a Business Day, the immediately following Business Day; the first Guarantor Payment Date will fall in October 2012.

Excluded Swap Termination Amount means any termination payment due and payable by the Guarantor to a Swap Counterparty, where the Swap Counterparty is the Defaulting Party or the sole Affected Party pursuant to the relevant Swap Agreement.

Expense Required Amount means Euro 50,000.

Pre-Issuer Event of Default Principal Priority of Payments

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the Guarantor will use Principal Available Funds (as defined below) to make payments or to make provisions towards payments due before the following Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay any amount due and payable under items (i) to (vii) of the Pre-Issuer Event of Default Interest Priority of Payment, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second*, to acquire Subsequent Receivables of Eligible Assets and/or Integration Assets (other than those funded through the proceeds of the Subordinated Loan);

(iii) *third*, to pay, *pro rata* and *pari passu*:

   (a) any principal amounts due or to become due and payable to the relevant Covered Bond Swap Counterparties *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap in accordance with the terms of the relevant Covered Bond Swap Agreement; and

   (b) the amounts (in respect of principal) due or to become due and payable under the Subordinated Loan provided that in any case the Asset Coverage Test and the Mandatory Tests are still satisfied after such payment and/or, where applicable, provided that no amounts shall be applied to make a payment in respect of the Subordinated Loan if the principal amounts outstanding under the relevant Series or Tranche of Covered Bonds which have fallen due for payment on such Guarantor Payment Date have not been repaid in full by the Issuer.

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

For the avoidance of doubt any Swap Collateral Excluded Amounts will be paid to the relevant Swap Counterparty directly and not under the Priority of Payments.

On each Guarantor Payment Date the **Interest Available Funds** shall include:

(a) any interest collected by the Servicer in respect of the Cover Pool and credited into the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(b) all recoveries in the nature of interest and penalties received by the Servicer and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(c) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the Collection Period preceding the relevant Guarantor Payment Date;

(d) all interest amounts received from the Eligible Investments;

(e) any amounts other than in respect of principal received under the Mortgage Pool Swap;

(f) any amounts other than in respect of principal received under the Covered Bond Swaps (other than any Swap Collateral);

(g) any swap termination payments received from a Swap Counterparty under a Swap Agreement, provided that, prior to the occurrence of a Guarantor Event of Default, such amounts will first be used to pay a Replacement Swap Counterparty to enter into a Replacement Swap Agreement, unless a Replacement Swap Agreement has already been entered into by or on behalf of the Guarantor;

(h) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Required Reserve Amount and following the service of a Notice to Pay on the Guarantor, any amounts standing to the credit of the Reserve Account;

(i) any amounts (other than the amounts already allocated under other items of the Interest Available Funds or Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period.

(j) the Potential Commingling Amount if such amount has been credited in accordance with the provisions of the Cover Pool Administration Agreement and an Issuer Event of Default has occurred.

Reserve Fund means any amounts standing to the credit of the Reserve Account up to the Required Reserve Amount.

Required Reserve Amount means (a) if the Issuer's short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, nil or such other amount as the Issuer shall direct the Guarantor from time to time and otherwise, an amount which will be determined on each Payment Report Date and which will be equal to one-third of the estimate of the quarterly amount payable under items from (i) to (v) of the Pre-Issuer Event of Default Interest Priority of Payment at the following Payment Report Date; or (b) any other higher amount that may be required by the relevant implementing provisions of 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 and communicated by the Issuer to the Calculation Agent before each relevant Payment Report Date.

On each Guarantor Payment Date the **Principal Available Funds** shall include:

(a) all principal amounts collected by the Servicer in respect of the Receivables and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(b) all other recoveries in the nature of principal collected by the Servicer and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(c) all proceeds deriving from the sale, if any, of the Receivables during the Collection Period preceding the relevant Guarantor Payment Date;

(d) without duplication with any of the proceeds deriving from the sale of the Receivables under (c) above, all proceeds deriving from the liquidation of Eligible Investments during the Collection Period preceding the relevant Guarantor Payment Date;

(e) all amounts in respect of principal (if any) received under any Swap Agreements (other than the Swap Collateral);

(f) any amounts to be transferred pursuant to item (ix) of the Pre-Issuer Event of Default Interest Priority of Payments;

(g) any amounts (other than the amounts already allocated under other items of the Interest Available Funds or the Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period.

Collection Period means each period from (but excluding) a Collection Date to (and including) the following Collection Date or, in respect of the first Collection Period, the period from (and including) the Evaluation Date of the transfer of the Initial Portfolio to (and including) the next following Collection Date.

Collection Date means the last calendar day of March, June, September and December of each year; the first Collection Date will fall in September 2012.

Post-Issuer Event of Default Priority of Payments

On each Guarantor Payment Date, following an Issuer Event of Default and service of a Notice to Pay, but prior to the occurrence of any Guarantor Event of Default, the Guarantor will use the Available Funds, to make payments or to make provisions towards payments due before the following Guarantor Payment Date in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses and taxes, in order to preserve its corporate existence, to maintain it in good standing and to comply with applicable legislation;

(ii) *second*, to pay, in the following order any amount due and payable to:

(A) the Representative of the Covered Bondholders;

(B) *pari passu* and *pro rata* according to the respective amounts thereof, the Calculation Agent, the Principal Paying Agent, the Italian Paying Agent, the Cash Manager, the Account Bank, the Cover Pool Manager (if any) and the Servicer;

(C) *pari passu* and *pro rata* according to the respective amounts thereof, the Corporate Servicer, the Asset Monitor; the Back-up Servicer Facilitator and the Back-up Servicer (if any);

(iii) *third*, to pay *pro rata* and *pari passu*:

a) interest payments due to the Swap Counterparties (including any termination payment due and payable by the Guarantor but excluding any Excluded Swap Termination Amount); and

b) interest due under the Covered Bond Guarantee in respect of each Series or Tranche of Covered Bonds;

(iv) *fourth*, to pay *pro rata* and *pari passu*: a) principal payments due to the Swap Counterparties (including any termination payment due and payable by the Guarantor but excluding any Excluded Swap Termination Amount); and b) principal due under the Covered Bond Guarantee in respect of each Series or Tranche of Covered Bonds;

(v) *fifth*, after 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 Required Redemption Amount has been accumulated in respect of each outstanding Series or Tranche of Covered Bonds) to pay *pro rata* and *pari passu*, any Excluded Swap Termination Amount due and payable by the Guarantor;

(vi) *sixth*, after the Covered Bonds have been fully repaid or repayment in full of the Covered Bonds has been provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series or Tranche of Covered Bonds) any remaining moneys will be applied in and towards repayment in full of amounts outstanding under the Subordinated Loan Agreement;

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

On each Guarantor Payment Date, the **Available Funds** shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) the amounts received by the Guarantor as a result of any enforcement taken *vis-à-vis* the Issuer in accordance with Article 4, Paragraph 3, of the MEF Decree (the **Excess Proceeds**) provided that the Available Funds do not include the Swap Collateral.

Eligible Investments

The Cash Manager may invest funds standing to the credit of the Investment Account in one or more of the following obligations or securities:

(a) any investment denominated in Euro that has a remaining maturity date falling, or which is redeemable at par together with accrued unpaid interest, no later than the earlier of (i) the maturity reported in the table below and (ii) the Liquidation Date immediately preceding the CB Payment Date of the Earliest Maturing Covered Bonds and that is an obligation of a company incorporated in, or a sovereign issuer of, a Qualifying Country, and is one or more of the following obligations or securities (including, without limitation, any obligations or securities for which the Representative of the Covered 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 that Qualifying Country;

(ii) call and time or term deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Account Bank) incorporated under the laws of a Qualifying Country and subject to supervision and examination by governmental banking authorities, provided that such investments shall have a minimum rating equal to the ones reported on the following table:

Maturity Rating	Moody's
Less than 365 calendar days	"P-1"
Less than 30 calendar days	"P-2";

(iii) any security rated at least (A) "P-2" by Moody's, if the relevant maturity is up to 30 calendar days, (B) "P-1" by Moody's, if the relevant maturity is up to 365 calendar days and (C) "Aaa" by Moody's, if the relevant maturity is greater than 365 days, provided that, in all cases, the maximum aggregate total exposures in general to classes of assets with certain ratings may be limited by the Rating Agency;

(iv) any Eligible Asset, provided that, in all cases, such investments shall from time to time comply with Rating Agency's criteria;

(v) 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 "A2" and "P1" by Moody's and a maturity of not more than 90 days from their date of issuance; (2) any other investment similar to those described in paragraph (1) 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 paragraph (1) above, provided that, in any event, none of the 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;

(b) in relation to the investment of any other funds,

(i) a cash deposit held by an Eligible Institution; and/or

(ii) any other debt instrument (including any repurchase transaction, certificate of deposit, commercial paper, debt security) issued or fully guaranteed by an Eligible Institution,

provided that in all cases such investments shall from time to time comply with Rating Agency's criteria, and that all investments shall have a duration no longer than the Liquidation Date immediately following the date on which the relevant Eligible Investment has been made or at disposable at no loss.

(the **Eligible Investments**).

Liquidation Date means the date of disinvestment of the Eligible Investments made by the Cash Manager in respect of each Collection Period falling not later than one Business Day following the Servicer Report Date; the first Liquidation Date will fall in October 2012.

Qualifying Country means a country rated at the time of such investment or contractual commitment providing for such investment in such obligations, at least P-2 by Moody's.

Post-Guarantor Event of Default Priority of Payments

On each Guarantor Payment Date, following a Guarantor Event of Default and service of an Acceleration Notice, the Available Funds will be used to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses and taxes;

(ii) *second*, to pay, in the following order any amount due and payable to:

(A) the Representative of the Covered Bondholders;

(B) *pari passu* and *pro rata* according to the respective amounts thereof, the Calculation Agent, the Principal Paying Agent, the Italian Paying Agent, the Cash Manager, the Account Bank, the Cover Pool Manager (if any) and the Servicer;

(C) *pari passu* and *pro rata* according to the respective amounts thereof, the Corporate Servicer, the Asset Monitor; the Back-up Servicer Facilitator and the Back-up Servicer (if any);

(iii) *third*, to pay *pro rata* and *pari passu*:

a) principal and interests due to the Swap Counterparties (including any termination payment due and payable by the Guarantor but excluding any Excluded Swap Termination Amount); and

b) principal and interests due under the Covered Bond Guarantee in respect of each Series or Tranche of Covered Bonds;

(iv) *fourth*, to pay *pro rata* and *pari passu*, any Excluded Swap Termination Amount due and payable by the Guarantor;

(v) *fifth*, to pay any remaining moneys towards repayment of amounts outstanding under the Subordinated Loan Agreement,

(the **Post-Guarantor Event of Default Priority of Payments** and, together with the Pre-Issuer Event of Default Principal Priority of Payments, the Pre-Issuer Event of Default Interest Priority of Payments, the Post-Issuer Event of Default Priority of Payments, are collectively referred to as the **Priorities of Payments**).

5. CREATION AND ADMINISTRATION OF THE COVER POOL

Transfer of the Receivables

Pursuant to a master transfer agreement entered into between the Seller and the Guarantor, dated on 22 June, 2012 (the **Master Transfer Agreement**), (a) the Seller transferred to the Guarantor an initial portfolio comprising certain Eligible Assets (the **Initial Receivables**) and (b) the Seller may assign and transfer further Eligible Assets and/or Integration Assets to the Guarantor from time to time, in the cases and subject to the limits on the transfer of further Eligible Assets and/or Integration Assets referred to below (such Eligible Assets and Integration Assets, (other than deposits opened with banks residing in Eligible States) are referred to as the **Subsequent Receivables**).

The Guarantor may acquire Subsequent Receivables, as the case may be, in order to:

(a) collateralise and allow the issue of further series or tranches of Covered Bonds by the Issuer, subject to the limits to the assignment of further Eligible Assets set forth by the BoI Regulations (*Limiti alla cessione*; see Section II, Paragraph 2 of the BoI Regulations, the **Limits to the Assignment**) (the **Issuance Assignment**);

(b) invest the Principal Available Funds, subject to the Limits to the Assignment, provided that no Issuer Event of Default or Guarantor Event of Default has occurred (the **Revolving Assignment**); or

(c) ensure compliance with the Tests in accordance with the Cover Pool Administration Agreement (the **Integration Assignment**).

Pursuant to the Master Transfer Agreement, and subject to the conditions provided therein, the Seller shall be allowed to repurchase Eligible Assets which have been assigned to the Guarantor.

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

Representations and Warranties of the Seller

Under a warranty and indemnity agreement entered into between the Seller and the Guarantor, dated 22 June 2012 (the **Warranty and Indemnity Agreement**), the Seller has made certain representations and warranties regarding itself and the Receivables including, *inter alia*:

(i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;

(ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;

(iii) the existence of the Receivables, the absence of any lien attaching the Receivables; subject to the applicable provisions of laws and of the relevant agreements, the full, unconditional, legal title of the Seller to the Receivables;

(iv) the validity and enforceability, subject to the applicable provisions of laws and of the relevant agreements, against the relevant Debtors of the obligations from which the Receivables arise.

For the purpose hereof:

Debtors means any person, entity or subject, also different from the beneficiary, who is liable for the payment of amounts due, as principal and interest, in respect of a Receivable.

General Criteria

Each of the receivables deriving from the Mortgage Loans forming part of the Cover Pool shall comply with all of the following criteria (the **Mortgage Loans General Criteria**):

(A) Receivables arising from Mortgage Loans which, at the Evaluation Date (inclusive), met all the following criteria:

1. loans classified as building and land mortage loans (*mutui ipotecari* and *mutui fondiari*);

2. loans secured by way of a mortgage on residential immovable property where the ratio beween the loan amount and the value of the security (determined as at the date of the financing agreement) is equal to or less than 80%;

3. loans having as their main debtors one or more natural persons (*persone fisiche*) (SAE Code 600/614/615), at least one of which resides in Italy as at the date of disbursement of the loan;

4. loans which have been fully drawn (even if not in a single tranche) or which arise from the fractioning in amounts of a previous loan and in relation to which there is no obligation or possibility to make additional drawdowns;

5. loans secured by way of a mortgage on residential immovable property located in the Republic of Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has passed as at the or prior to the Evaluation Date;

6. loans for which at least one instalment has matured and has been repaid;

7. loans governed by Italian law;

8. loans denominated in Euro (or drawn in a different currency and subsequently re-denominated in Euro);

9. loans secured by a first mortgage (*ipoteca di primo grado economico*), i.e.:

(a) a first legal mortgage; or

(b) a mortgage ranking in priority immediately after a first legal mortgage in respect of which:

(i) the relevant lender has consented in writing to the cancellation of the first legal mortgage(s); or

(ii) the obligations secured by the first legal mortgage have been fully satisfied;

10. loans secured by a first mortgage (*ipoteca di primo grado economico*) over immovable property which has already been completed (i.e. which is not in construction).

(B) Receivables arising from mortgage loans which, at the Evaluation Date, comply with the criteria listed above are excluded (save as provided otherwise) where, as at the Evaluation Date such loans:

1. have been granted to public entities (*enti pubblici*), public consortiums (*consorzi pubblici*) or ecclesiastical entities (*enti ecclesiastici*);

2. are classified as agricultural mortgages (*mutui agrari*) or fishing mortgages (*mutui pescherecci*) pursuant to Articles 43, 44 and 45 of the Banking Act;

3. have been drawn pursuant to any law (including regional law) that envisages subsidies or allowances on principal or interest (i.e. loans at preferential rates (*mutui agevolati o convenzionati*));

4. have been wholly or partially funded by third parties (including by facilitation entities (*enti agevolanti*)).

Each of the receivables deriving from the Public Assets forming part of the Cover Pool shall comply with all of the following criteria (the **Public Assets General Criteria**):

(C) Receivables arising from Public Assets:

Loans granted to, or guaranteed by, and securities issued by, or guaranteed by, the entities indicated in Article 2, paragraph 1, lett. (c) of the MEF Decree.

Each of the receivables deriving from the ABS forming part of the Cover Pool shall comply with all of the following criteria (the **ABS General Criteria**):

(D) Receivables arising from ABS:

Securities issued in the framework of securitisations having as underlying assets Mortgage Loans or Public Assets, pursuant to Article 2, paragraph 1, lett. (d) of the MEF Decree.

The Receivables shall also comply with the Specific Criteria.

Specific Criteria means the criteria for the selection of the Receivables to be included in the portfolios to which such criteria are applied, set forth in Schedule 1 to the Master Transfer Agreement for the Initial Receivables and in the relevant Offer for Subsequent Receivables.

General Criteria means the Mortgage Loans General Criteria and/or the Public Assets General Criteria and/or the ABS General Criteria.

Criteria means jointly the General Criteria and the Specific Criteria.

Tests

The **Mandatory Tests**

In accordance with the Cover Pool Administration Agreement and the provisions of the MEF Decree, for so long as the Covered Bonds remain outstanding, the Seller and the Issuer shall procure on a continuing basis and for the whole life of the Programme that:

(i) the sum of a) the outstanding aggregate notional amount of the assets comprised in the Cover Pool b) the aggregate amounts standing to the credit of the Accounts (in relation to the principal component only) shall be at least equal to, or higher than, the aggregate notional amount of all outstanding Series or Tranche of Covered Bonds (the **Nominal Value Test**) provided that, prior to the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the Nominal Value Test will always be deemed to be met to the extent that the Asset Coverage Test (as defined below) is met as of the relevant Calculation Date, and following the occurrence of an Issuer Event of Default, such test will be deemed to be met to the extent that the Amortisation Test is met;

(ii) the net present value of the Cover Pool (net of the transaction costs borne in relation to the Programme, the expected costs and any payments to be made or received by the Guarantor under or in respect of the Swap Agreements), also taking into consideration any principal payment actually received by the Guarantor in respect of the Mortgage Loans and not yet applied under the relevant Priority of Payments, shall be at least equal to, or higher than, the net present value of the outstanding Covered Bonds (the **NPV Test**);

(iii) the amount of interests and other revenues generated by the assets included in the Cover Pool, net of the costs borne by the Guarantor, shall be at least equal to, or higher than, the interests and costs due by the Issuer under the Covered Bonds, taking also into account the payments to be made or received under any hedging arrangements entered into in relation to the transaction (the **Interest Coverage Test**),

(the tests above are jointly defined as the **Mandatory Tests** and, together with the Asset Coverage Test and the Amortisation Test described below, collectively, the **Tests**).

The **Asset Coverage Test**

Starting from the Issue Date of the first Series or Tranche of Covered Bonds and until the earlier of:

(i) 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 Conditions and the relevant Final Terms; and

(ii) the date on which a Notice to Pay is served on the Guarantor as a consequence of an Issuer Event of Default,

the Seller and the Issuer undertake to procure that on any Calculation Date and/or on any other date which the Tests are to be performed under the Transaction Documents, as the case may be, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds (the **Asset Coverage Test**, and together with the Mandatory Tests, collectively, the **Tests**).

The **Amortisation Test**

For so long as the Covered Bonds remain outstanding, the Seller and the Issuer will ensure that on each Calculation Date following the occurrence of an Issuer Event of Default, and the service of a Notice to Pay (but prior to the service of an Acceleration Notice following the occurrence of a Guarantor Event of Default), the Amortisation Test Aggregate Loan Amount is equal to, or higher than, the Principal Amount Outstanding of the Covered Bonds.(the **Amortisation Test**).

Compliance with the Tests will be verified by the Calculation Agent on each Calculation Date (with reference to the last day of the immediately preceding Collection Period) and on any other date on which the verification of the Tests is required pursuant to the Transaction Documents. The calculations performed by the Calculation Agent in respect of the Tests will be tested from time to time by the Asset Monitor in accordance with the provisions of the Asset Monitor Agreement and the Engagement Letter, as the case may be.

Breach of the Tests

In order to cure the breach of a Mandatory Test and/or Asset Coverage Test:

(a) the Guarantor shall to any possible extent use the Available Funds to cure the relevant Test; or

(b) the Seller shall sell, as soon as possible upon receipt of the relevant Test Performance Report, sufficient Eligible Assets and/or Integration Assets to the Guarantor, which shall purchase such assets, in accordance with the Master Transfer Agreement, and, to this extent, the Seller shall grant the funds necessary for payment of the purchase price of the assets to the Guarantor in accordance with the Subordinated Loan Agreement, provided that none of the events indicated in Clause 8.1 (*Cause di estinzione dell'Obbligo di Acquisto dal Cedente*), paragraph (d) (*Inadempimento di obblighi da parte del Cedente*), paragraph (e) (*Violazione delle dichiarazioni e garanzie da parte del Cedente*), paragraph (f) (*Mutamento Sostanzialmente Pregiudizievole*) and paragraph (g) (*Crisi*) of the Master Transfer Agreement (the **Relevant Events**) has occurred in an aggregate amount sufficient to ensure that the Tests are met as soon as practicable and in any event by the immediately following Calculation Date.

If the relevant breach is not remedied within the immediately following Calculation Date, the Representative of the Covered Bondholders will deliver a notice to the Issuer and the Guarantor (a **Breach of Test Notice**).

Prior to the occurrence of an Issuer Event of Default, if a Breach of Test Notice has been served and not revoked:

(a) no further series or tranche of Covered Bonds will be issued;

(b) payments under the Subordinated Loan will be effected on the basis of the relevant Priority of Payments; and

(c) the purchase price for any Eligible Assets or Integration Assets to be acquired by the Guarantor shall be paid only using the proceeds of an Integration Advance, except where the breach referred to in the Breach of Test Notice may be cured by using the Interest Available Funds or the Principal Available Funds.

If the Breach of Test Notice is not revoked by the immediately following Calculation Date, then an Issuer Event of Default will occur and the Representative of the Covered Bondholders shall deliver a Notice to Pay on the Guarantor pursuant to the provisions of the Intercreditor Agreement.

A breach of the Amortisation Test constitutes a Guarantor Event of Default unless an Extraordinary Resolution is passed resolving otherwise. In case on conflict between the Representative of the Covered Bondholders and the Extraordinary Resolution passed in a Meeting, the latter will prevail.

Role of the Asset Monitor

The Asset Monitor will perform specific agreed upon procedures set out in an engagement letter entered into with the Issuer (the **Engagement Letter**). The Asset Monitor will also perform the other activities provided under the Asset Monitor Agreement entered into on or about the Initial Issue Date.

Sale of Receivables following the service of a Breach of Test Notice or the

After the service of a Breach of Test Notice, but prior to the occurrence of a Guarantor Event of Default, the Guarantor may sell Receivables in accordance with the provisions of the Cover Pool Administration Agreement

occurrence of an Issuer Event of Default	and the Master Transfer Agreement, subject to the rights of pre-emption in favour of the Seller to buy such Receivables pursuant to the Master Transfer Agreement. The proceeds from any such sale will be credited to the Transaction Account and applied as set out in the applicable Priority of Payments. Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default), the Guarantor shall direct the Servicer to sell Receivables in accordance with the provisions of the Cover Pool Administration Agreement, subject to the pre-emption right of the Seller pursuant to the Master Transfer Agreement. The proceeds from any such sale shall be credited to the Transaction Account and applied as set out in the applicable Priority of Payments.

6. THE TRANSACTION DOCUMENTS

Master Transfer Agreement	Pursuant to a master transfer agreement entered into on 22 June 2012 between the Seller and the Guarantor (the "**Master Transfer Agreement**"), the Seller assigned and transferred, without recourse (*pro soluto*), to the Guarantor the Initial Receivables, in accordance with Law 130. Pursuant to the Master Transfer Agreement, the Seller and the Guarantor agreed that the Seller may assign and transfer Subsequent Receivables to the Guarantor from time to time in the cases and subject to the limits set out in the Master Transfer Agreement.
Warranty and Indemnity Agreement	Pursuant to a warranty and indemnity agreement entered into 22 June, 2012 between the Seller and the Guarantor (the "**Warranty and the Indemnity Agreement**"), the Seller has given certain representations and warranties in favour of the Guarantor in respect of, *inter alia*, itself and the Receivables 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 Receivables.
Subordinated Loan Agreement	Pursuant to a subordinated loan agreement entered into on 22 June, 2012, as subsequently amended and/or supplemented, between the Seller and the Guarantor (the "**Subordinated Loan Agreement**") the Seller granted to the Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to the relevant individual commitment limit as specified in the Subordinated Loan Agreement (each, the "**Individual Commitment Limit**"). Under the provisions of such agreement, the Seller shall make advances to the Guarantor in amounts equal to the relevant price of the Receivables transferred from time to time to the Guarantor, including the Integration Assets transferred in order to prevent a breach of the Tests. Each advance granted pursuant to the

Subordinated Loan Agreement shall be identified in (i) a term loan advanced to fund the purchase price of Receivables to be sold in the framework of an Issuance Assignment (the **Issuance Advance**); and (ii) a term loan advanced for the purpose of purchasing further Eligible Assets and/or Integration Assets in the framework of an Integration Assignment (the **Integration Advance**).

The Issuance Advance shall be remunerated by way of:

(a) the Base Interest (*Interessi Base*); and

(b) the Premium Interest (*Interessi Aggiuntivi*).

The Integration Advance shall be remunerated only by way of the Base Interest.

Base Interest means the interest rate equal to 0.00002 per cent.

Premium Interest means:

(a) prior to the occurrence of an Issuer Event of Default, an amount equal to the higher between 0 (zero) and the algebraic sum of:

(i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

(ii) (-) the sum of any amount due under items from (i) to (x) of the Pre-Issuer Event of Default Interest Priority of Payment;

Or

(b) following to the occurrence of an Issuer Event of Default, an amount equal to the higher between 0 (zero) and the algebraic sum of:

(i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

(ii) (-) the sum of any amount due in respect of interests under items from (i) to (v) of the Post Issuer Event of Default Priority of Payments;

Or

(c) following the occurrence of a Guarantor Event of Default an amount equal to the higher between 0 (zero) and the algebraic sum of:

(i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

(ii) (-) the sum of any amount due in respect of interests under items from (i) to (iv) of the Post Guarantor Event of Default Priority of Payments.

The Premium Interest will be calculated, *pro rata* and *pari passu*, across all advances outstanding under the Subordinated Loan.

Servicing Agreement and Collection Policies

Pursuant to the terms of a servicing agreement entered into on 22 June 2012 between the Servicer and the Guarantor (the "**Servicing Agreement**"), the Guarantor has appointed DB S.p.A. as Servicer (the "**Servicer**") and Banca Finint as Back-up Servicer Facilitator. The Servicer has agreed to administer and service the Receivables assigned by it, on behalf of the Guarantor. Under the Servicing Agreement, the Servicer has agreed to perform certain servicing duties in connection with the Receivables assigned by it, and, in general, the Servicer has agreed to be responsible for the management of the Receivables assigned by it and for cash and payment services in accordance with the requirements of the Law 130. In addition, the Servicer has agreed to be responsible for verifying the compliance of the transactions with the laws and the Base Prospectus pursuant to article 2, paragraph 3(c), and 6-*bis* of Law 130 and to provide certain monitoring activities in relation to the Receivables transferred from time to time to the Guarantor.

The Back-up Servicer Facilitator has agreed to, *inter alia*, support the Issuer in the process of appointment of the Back-up Servicer.

The Servicer has undertaken to prepare and submit monthly reports to the Guarantor, the Corporate Servicer Provider and the Calculation Agent, in the form set out in the Servicing Agreement, containing information as to all the amounts collected from time to time on behalf of the Guarantor in respect of the Receivables, as principal, interest and/or expenses and any payment of damages (the

Collections), as a result of the activity of the Servicer pursuant to the Servicing Agreement during the preceding Collection Period.

Covered Bond Guarantee

The Guarantor issued a first demand and irrevocable guarantee securing the payment obligations of the Issuer under the Covered Bonds pursuant to an agreement entered into on or about the Initial Issue Date (the "**Covered Bond Guarantee**") and in accordance with the provisions of Law 130 and of the MEF Decree.

Corporate Services Agreement

Pursuant to a corporate services agreement entered into on or about the Initial Issue Date (the "**Corporate Services Agreement**"), the Corporate Servicer has agreed to provide the Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers.

Intercreditor Agreement

Under the terms of an intercreditor agreement dated on about the Issue Date, as subsequently amended and/or supplemented, entered into among, *inter alios*, the Guarantor and the Representative of the Covered Bondholders (in its own capacity and as legal representative of the Covered Bondholders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Back-up Servicer Facilitator, the Back-up Servicer (if any), the Corporate Servicer, the Account Bank, the Principal Paying Agent, the Italian Paying Agent, the Luxembourg Listing Agent, the Swap Counterparties, the Cash Manager, the Asset Monitor and the Calculation Agent (collectively the "**Secured Creditors**"), as subsequently amended, (the "**Intercreditor Agreement**"), the parties agreed that all the Available Funds of the Guarantor will be applied in or towards satisfaction of the Guarantor's payment obligations towards the Covered Bondholders as well as the other Secured Creditors, in accordance with the relevant Priorities of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the Covered Bondholders will, subject to a Guarantor Event of Default having occurred, ensure that all the Available Funds are applied in or towards satisfaction of the Guarantor's payment obligations towards the Covered Bondholders as well as the other Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the Guarantor to each of the Covered Bondholders and each of the other Secured Creditors will be limited recourse obligations of the Guarantor. The Secured Creditors will have a claim against the Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents.

Cash Management and Agency Agreement

In accordance with a cash management and agency agreement dated on or about the Initial Issue Date, as subsequently amended and/or supplemented, entered into among, *inter alios*, the Guarantor, the Cash Manager, the Account Bank, the Principal Paying Agent, the Italian Paying Agent, the Luxembourg Listing Agent, the Servicer, the Corporate Servicer, the Calculation Agent and the Representative of the Covered Bondholders (the "**Cash Management and Agency Agreement**"), the Account Bank, the Principal Paying Agent, the Italian Paying Agent, the Luxembourg Listing Agent, the Servicer, the Corporate Servicer and the Calculation Agent will provide the Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to moneys from time to time standing to the credit of the Accounts.

Asset Monitor Agreement

In accordance with an asset monitor agreement dated on or about the Initial Issue Date, entered into among the Asset Monitor, the Issuer, the Seller, the Guarantor and the Representative of Covered Bondholders, (the **Asset Monitor Agreement**), the Asset Monitor will conduct independent tests in respect of the calculations performed by the Calculation Agent for the Tests with a view to verifying the compliance by the Guarantor with such tests.

Cover Pool Administration Agreement

By a Cover Pool administration agreement dated on or about the Initial Issue Date, as subsequently amended and/or supplemented, entered into among, *inter alia*, the Guarantor, the Issuer, the Seller, the Representative of the Covered Bondholders, the Calculation Agent, and the Asset Monitor (the "**Cover Pool Administration Agreement**"), the Seller and the Issuer have undertaken certain obligations for the replenishment of the Cover Pool in order to cure a breach of the Tests.

Quotaholders Agreement

The quotaholders' agreement entered into on or about the Initial Issue Date, among the Guarantor, DB S.p.A. and SVM Securitisation Vehicles Management S.r.l. (the "**Quotaholders' Agreement**"), contains provisions and undertakings in relation to the management of the Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM Securitisation Vehicles Management S.r.l. will grant in favour of DB S.p.A. (i) a call option to purchase from SVM Securitisation Vehicles Management S.r.l. the quota of the Guarantor's quota capital held by SVM Securitisation Vehicles Management S.r.l. (ii) and a put option to sell to SVM Securitisation Vehicles

Management S.r.l. the quota of the Guarantor's quota capital held by DB S.p.A.

Deed of Pledge	By a deed of pledge executed by the Guarantor on or about the Initial Issue Date (the "**Deed of Pledge**"), the Guarantor will pledge in favour of the Covered Bondholders and the Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Guarantor is entitled pursuant to, or in relation to, the Transaction Documents (other than the Deed of Pledge and the Deed of Charge), but excluding, for avoidance of doubt, the Receivables.
Deed of Charge	By a deed of charge executed by the Guarantor on or about the Initial Issue Date, as subsequently amended and/or supplemented (the "**Deed of Charge**"), the Guarantor will assign by way of security to (or to the extent not assignable charge by way of fixed charge) in favour of the Representative of the Covered Bondholders (acting in its capacity as security trustee for itself and as trustee for the Covered Bondholders and the Secured Creditors, in such capacities, the "**Security Trustee**"), all of its rights in respect of the Swap Agreements and its monetary rights and claims relating to the amounts standing to the credit of the Accounts.
Programme Agreement	By a programme agreement entered into among the Issuer, the Seller, the Representative of Covered Bondholders and the Dealer, dated on or about the Initial Issue Date, as subsequently amended and/or supplemented (the "**Programme Agreement**"), the Dealer has been appointed as such. The Programme Agreement contains, *inter alia*, provisions for the resignation or termination of appointment of existing Dealer and for the appointment of additional or other Dealer either generally in respect of the Programme or in relation to a particular Series or Tranche.
Subscription Agreement	By a subscription agreement to be entered into on or about the relevant Issue Date among the Issuer and the Dealer who are parties to such subscription agreement (the "**Relevant Dealer**"), the Relevant Dealer will agree to subscribe for the relevant tranche of Covered Bonds and pay the Issue Price subject to the conditions set out therein (the "**Subscription Agreement**").
Mortgage Pool Swap	In order to hedge the interest rate risks related to the Mortgage Loans in the Cover Pool, the Guarantor will enter into a Mortgage Pool Swap with the relevant Mortgage Pool Swap Counterparty subject to a 1992 International Swaps and Derivatives Association Inc. (ISDA) Master Agreement (Multicurrency - Cross Border), including Schedule and Credit Support Annex.

Covered Bond Swap	In order to hedge certain interest rate risks or currency risks, if any, in respect of amounts to be paid on the Covered Bonds, the Guarantor will enter into one or more Covered Bond Swaps with the relevant Covered Bond Swap Counterparty on each Issue Date subject to a 1992 International Swaps and Derivatives Association Inc. (ISDA) Master Agreement (Multicurrency - Cross Border), including Schedule and Credit Support Annex.
Asset Swap	In order to hedge the interest rate risks and, if any, currency risks related to the Public Assets and the ABS in the Cover Pool, the Guarantor may, from time to time, enter into one or more Asset Swaps with the relevant Asset Swap Counterparty (the "**Asset Swap**", and together with the Mortgage Pool Swap, the "**Cover Pool Swap**").
Mandate Agreement	By a mandate agreement entered into on or about the Initial Issue Date, the Guarantor has conferred an irrevocable mandate to the Representative of Covered Bondholders for the exercise of the rights of the Guarantor under certain circumstances indicated herein (the "**Mandate Agreement**").
Provisions of Transaction Documents	The Covered Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them. In particular, each Covered Bondholder, by reason of holding Covered Bonds, recognises the Representative of the Covered Bondholders as its representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the Covered Bondholders as if such Covered Bondholder was a signatory thereto.

RISK FACTORS

This section describes the principal risk factors associated with an investment in the Covered Bonds and includes disclosure of all material risks in respect of the Covered Bonds. Prospective purchasers of Covered Bonds should consider carefully all the information contained in this document, including the considerations set out below, before making any investment decision. All these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which the Issuer and the 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 Covered Bond 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 the Covered Bonds may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on 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 documents incorporated by reference herein) and reach their own views prior to making any investment decision.

I. RISKS REGARDING THE ISSUER

The risks below have been classified into the following categories:

Risks related to the financial situation of the Issuer;

Risks related to the Issuer's activities and business sector;

Risks related to the impact of global-macro economic factors;

Risk related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crises; and

Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles.

1. *Risks related to the financial situation of the Issuer*

The Issuer's stand-alone level results as for the year ended 31 December 2021 amounts to a net profit of EUR 35.7 mln and shareholders' equity is equal to EUR 2.102 mln. We cannot exclude that DB S.p.A. future financial performance, operating results and capital and financial position is impacted by a number of factors, including, but not restricted to:

- global-macro economic factors, such as the impact of government and international regulatory bodies' responses to COVID-19 on global growth and individual countries, including the Russia – Ukraine conflict, the U.S.-driven trend towards protectionism, the developments associated with Brexit, the sustainability of the sovereign debt of certain countries, including Italy, and other factors (see section "*Risks related to the impact of global-macro economic factors*", page 64);

- under IAS12 the Issuer substantiates its deferred tax assets ("**DTA**") on temporary differences which regularly depend on sufficient levels of financial profitability and taxable income projections. Where actual taxable income levels fall significantly below planned levels, the Issuer could be forced to consider valuation adjustments on such DTA balances, with a negative impact on its net income;

- the Issuer reports certain minority interests in equity instruments (i.e., Nexi, Visa) under IFRS9 as financial instruments carried at fair value through profit and loss. Under the current macroeconomic environment and pressure on equity markets, the fair value of such investments can be subject to significant valuation impacts due to (a) share price declines, where these assets are listed, or (b) negative impact on the utilized valuation models, where the valuation depends on such models. The reduction of the fair value of such investments could result in significant losses and negatively impact DB S.p.A.'s net income;

- failure to complete strategic transaction: in August 2021, the Issuer has engaged in a significant strategic transaction for the disposal of the financial advisors network in Italy (Deutsche Bank Financial Advisors) to Zurich Group; the closing is expected for the second half of 2022. Despite the transaction being contractually agreed, the relevant closing is still subject to outstanding substantive regulatory approvals. A delay or failure to close the agreement as contracted could result in a significant impact on the Issuer's financial performance in 2022 and following years, and no assurance can be given that current transactions will not negatively impact on the Issuer's results and financial position in the short and/or the medium term and will not encounter obstacles of administrative, regulatory, or other nature, such that they may not achieve the results, objectives or benefits expected. In addition, the Issuer may face difficulties in relation to the sale of businesses or assets at favorable prices or at all, and may experience material losses from these assets and other investments irrespective of market developments, or may fail to close on transactions under contract. Any delay in completing, or the failure to complete, the sale of businesses or assets could prejudice the full achievement or delay fully achieving, the results and the benefits expected for the Issuer, and could have significant negative repercussions on the business prospects, results and/or financial situation of the Issuer.

2. *Risks related to the Issuer's activities and business sector*

Credit risk

The Issuer's creditworthiness, business, economic and financial solidity, as well as its profits, are exposed to the traditional risks related to credit activity and depends, amongst other things, on customers and counterparties complying with their payment obligations (including the counterparties to financial transactions involving over the counter derivatives) properly reflected in the risk profile of underlying credit assets. A number of factors affect a bank's credit risk in relation to individual credit exposures or for its entire loan book. These include the trend in general economic conditions or those in specific sectors, changes in the rating of individual counterparties, deterioration in the competitive position of counterparties, poor management on the part of firms or counterparties given lines of credit, and other external factors, also of a legal and regulatory nature. The Issuer may also be subject to the concentration risk arising from significant exposure to counterparties or groups of counterparties connected to one another or within the same sector, which engage in the same business, or which belong to the same geographic area.

Risk management methodologies, assessments and processes used by the Issuer to identify, measure, evaluate, monitor, prevent and mitigate any risks to which the Issuer is or might be exposed, are intended to safeguard risk profile of the issuer, thus ensuring adequate capital resources and an adequate liquidity profile of the Group. These include:

(i) the containment of the non-performing loan stock according to NPL strategy in place;

(ii) optimization of recovery strategy in respect of non-performing exposures; and

(iii) the adoption and maintenance of a target model for the management and recovery of bad loans, in line with existing credit and risk strategy and along with target risk appetite.

However, such actions might not be sufficient to protect the Issuer and its Group against, for example, unexpected changes in the credit risk profile of the portfolio. In addition, following the COVID-19 outbreak, it cannot be excluded that credit quality for the year 2021 could be inherently interconnected with underlying volatility induced by pandemic crisis evolution.

The deterioration of the creditworthiness of major customers and, more generally, any defaults or repayment irregularities, the launch of bankruptcy proceedings by counterparties, the reduction of the economic value of guarantees received and/or the inability to execute the said guarantees successfully and/or in a timely manner, as well as any errors in assessing customers' creditworthiness could have a material negative effect on the business, financial condition and/or results of operations of the Issuer.

The Issuer's business is subject to risks concerning liquidity

Liquidity risk is the risk that the Issuer will be unable to meet its payment obligations due to its inability to secure funding or only being able to secure it at above-market costs (funding liquidity risk) or to the possibility of incurring capital losses on the sale of assets (market liquidity risk). The Issuer's business is subject to liquidity risks which are inherent in its banking operations, and could affect the Issuer's ability to meet its financial obligations as they fall due or to fulfil commitments to lend. In order to ensure that the Issuer continues to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings and transmission balances, as well as ongoing access to the wholesale lending markets. The ability of the Issuer to access wholesale and retail funding sources on favourable economic terms depends on a variety of factors, including a number of factors outside of its control, such as liquidity constraints and general market conditions.

Governmental and central banks' actions intended to support liquidity may be insufficient or discontinued

In response to the financial markets crisis, the reduced liquidity available to market operators in the industry, the increase of risk premiums and the capital requirements demanded by investors, intervention with respect to the level of capitalisation of banking institutions has had to be further increased. In many countries, this has been achieved through support measures for the financial system and direct intervention by governments in the share capital of the banks in different forms. In order to technically permit such government support, financial institutions were required to pledge securities deemed appropriate by different central financial institutions as collateral.

The unavailability of liquidity through such measures, or the decrease or discontinuation of such measures by governments and central authorities could result in increased difficulties in procuring liquidity in the market and/or result in higher costs for the procurement of such liquidity, thereby adversely affecting the Deutsche Bank S.p.A. Group's business, financial condition and results of operations.

The Issuer's financial performance is affected by "systemic risk"

In the past years, the global credit environment has been adversely affected by significant instances of default, and there can be no certainty that further such instances will not occur. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Issuer interacts on a daily basis and therefore could adversely affect the Issuer. This type of risk is kept under control, monitored and mitigated via adequate diversification strategy by the Issuer, in line with risk appetite level, with particular attention (but not limited to) credit risk implications (credit concentration risk).

The Issuer's business is focused on the Italian domestic market and therefore adverse economic conditions in Italy or a delayed recovery in the Italian market may have particularly negative effects on the Issuer's financial conditions and results of operations

Italy is the Issuer's primary market. Its business is therefore particularly sensitive to adverse macroeconomic conditions in Italy.

The persistence of adverse economic conditions in Italy, or a slower recovery in Italy compared to other OECD nations, could have a material adverse effect on the Deutsche Bank S.p.A. Group's business, results of operations or financial condition.

In addition, any further downgrade of the Italian sovereign credit rating, or the perception that such a downgrade may occur, may destabilise the markets and have a material adverse effect on DB S.p.A.'s operating results, financial condition and prospects as well as on the marketability of the Covered Bonds.

The Issuer's financial performance is affected by borrower credit quality and general economic conditions, in particular in Italy and Europe

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

Changes in interest rates, foreign exchange rates, equity prices and other market factors affect the Issuer's business

The most significant market risks which the Issuer faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates, affect the value of assets and liabilities denominated in foreign currencies and may affect income from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. In addition, protracted or steep declines in the stock or bond markets in Italy and elsewhere may adversely affect the Issuer's securities activities and its asset management services, as well as its investments in and sales of products linked to the performance of financial assets.

The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance and business operations.

Risk related to fluctuations in interest rates and exchange rates

The interest rate risk is the risk originating from the differences in the maturities and in the times for redefining the interest rate of the assets and liabilities included in the banking book. In the presence of these differences, the fluctuations in interest rates determine both a short-term change in the expected profit, through the effects on the NII, and long-term effects on the economic value of the shareholders' equity, through the change in the market value of assets and liabilities.

The measurement of the interest rate risk on the banking book is mainly based on the valuation of the economic value and earnings-based measures. The Issuer adopts a risk management policy related to interest rate fluctuations aimed at limiting the risks of negative effects on the capital/income profile of potential adverse changes in interest rates.

Only a minor part of the Issuer's business is carried out in currencies other than the Euro. As the FX risk is entirely hedged a negative change in exchange rates could have only negligible/minor effects on the financial situation of the Issuer.

The Issuer's risk management and its exposure to unidentified or unanticipated risks

The Issuer has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and non-financial risks and intends to continue to do so in the future along with risk governance blueprint in place. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risks, including risks that the Issuer fails to identify or anticipate. If existing or potential customers believe that the Issuer's risk management policies and procedures are inadequate, its reputation as well as stability profile of revenues and profits and ability to maintain over time adequate capital levels may be endangered in the longer term. This risk, unavoidable by nature, considering the exposure to systemic risks as well as idiosyncratic events is assessed as adequately mitigated by the adoption of market best practices in risk management approaches, policies, measurement and as well as by governance model in place, so to be assessed at low materiality level.

The Issuer's future earnings are adversely affected by the deteriorating asset valuations resulting from poor market conditions

The global economic slowdown and economic crisis in certain countries of the Euro-zone have exerted downward pressure on assets prices. The downward trend in asset prices may continue, causing the Issuer to incur losses or to experience reductions in business activity, increases in non-performing loans, decreased asset values, additional write-downs and impairment charges, resulting in significant changes in the market values of the Issuer's exposures.

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

A further decline in the economic outlook of Italy, or a general deterioration of economic conditions in any industry in which its borrowers operate may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may impact credit risk profile of the banking book, as well as increasing allowances for loan losses. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Issuer to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could turn as well in a reduced value of funded credit protection, additionally impacting expected/realized loss profile. Furthermore, changes to the utilization of the Issuer's assets under changing environment or strategic views could result in accelerated amortization and depreciation patterns that could affect the Issuer's financial performance across all asset categories. Any of these factors could require the Issuer to recognise write-downs or realise impairment charges, any of which may adversely affect its financial condition and results of operations.

The Issuer's insurance businesses are subject to inherent risks involving claims

Future claims in the Issuer's general and life assurance businesses may be higher than expected as a result of changing trends in claims experience resulting from catastrophic weather conditions, demographic developments, changes in mortality rates and other causes outside the Issuer's control. Such changes would affect the profitability of current and future insurance products and services. The Issuer reinsures some of the risks that it has assumed.

Operational risks are inherent in the Issuer's businesses

The Issuer's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and Conduct of Business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties as well as risks stemming from the funding of services and goods where failure of third-party service providers to customers may result in claims against the Issuer with adverse negative financial impacts. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling each of the operational risks faced by the Issuer. Investors should be aware that the Issuer's risk management techniques and strategies may not be effective in mitigating its risk exposure in all economic market environments or against all types of risks (especially those due to potential exogenous factors such as external fraud), including risks that the Issuer fails to identify or anticipate.

the Issuer's business activities include distribution agreements under which the Issuer acts as distributor. Under such agreements the Issuer commits to minimum thresholds for distribution of various products. Where the achievability of such levels may be impacted by the global macro-economic situation, the income levels from such distribution agreements may result in lower than planned levels.

The Issuer results may be impacted by changes in intra-group services and transfer pricing charges with various DB Group entities

Being a member of DB AG Group, DB S.p.A. receives various intra-group services and is subject to service relationship and transfer pricing charges with various DB Group entities. Increases to such costs beyond current and planned levels can impact the financial performance of DB S.p.A. accordingly. In addition, DB S.p.A. receives third party services under contracts with vendors which maybe subject to inflation indexation terms and under the current macroeconomic situation could result in significant increases. Furthermore, DB S.p.A, could be impacted by increasing energy consumption costs under the current macroeconomic environment

Future growth in the Issuer's earnings and shareholder value depends on strategic decisions regarding organic growth and potential acquisitions

The Issuer devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible acquisitions, supported by substantial expenditure to generate growth in customer business. If these strategic plans cannot be met in the envisaged manner including timing of the implementation of strategic measures and initiatives, this can adversely impact the Issuer's profitability, including lower than planned revenues, higher costs or CLPs and potential write-downs of assets (including tax assets) which all can impact the net profit of the issuer. As a consequence, planned profitability levels may not be reached and could fall short of planned levels or result in a slower growth pattern or even decline.

The Issuer is subject to capital requirements that could limit its operations

The Issuer is subject to capital adequacy guidelines adopted by the Bank of Italy for a bank or a bank holding company and in particular to the provisions of the Bank of Italy Regulations, which provide for a minimum ratio of total capital to risk adjusted assets both on a consolidated basis and on a solo-consolidated basis expressed as a percentage. At least half of the total capital must be maintained in the form of Tier 1 capital. The Issuer's failure to maintain its ratios may result in administrative actions or sanctions against it which may impact the Issuer's ability to fulfil its obligations under the Covered Bonds. Furthermore, capital supply can form a constraint and restrict business growth where due to changing financial performance and/or due to retsrictions in Risk Weighted Asset volumes the ability of the issuer to generate revenues may be restricted. Finally, the issuer maybe required to meet capital demand across its regulatory capital classes through the issuance of further capital instruments which can impact also the issuers profitability.

The Issuer's businesses are conducted in a marketplace that is consolidating and significant cross-border mergers and acquisitions may happen in the coming years

In addition to its important strategy of organic growth, one of the Issuer's aims is to remain alert for opportunities to participate in the further consolidation of the financial services industry, both in Italy and overseas. The Issuer cannot be sure that it will ultimately be able to make any such mergers or acquisitions.

The Issuer's businesses are conducted in highly competitive environments

In recent years the Italian banking sector has been characterised by ever increasing competition from a large number of companies who may offer the same financial products and services and other forms of alternative and/or novel forms of borrowing or investment. This, together with the level of interest rates, has caused a sharp reduction in the difference between borrowing and lending rates and subsequent difficulties in maintaining a positive growth trend in interest rate margin. In particular, such competition has been reflected in progressive interest margin shrinking and additional pressure on commissions/fees on third-party related agreements that, whether confirmed at a material level in the future, may adversely affect the Issuer's financial condition and results of operations. In addition, downturns in the Italian economy could cause additional pressure on competitive landscape through, for example, increased price pressure and lower business volumes for which to compete.

Legal proceedings involving the Issuer

Although the Issuer maintains that it has set aside sufficient reserves to cover the potentially negative outcome of any legal proceedings underway, and therefore, as of the date of this Base Prospectus, although the Issuer maintains that there are no pending legal proceedings or potential liabilities that would impair the fulfilment of obligations towards investors arising from the issuance of the Covered Bonds, one cannot rule out repercussions to the Issuer's capital, economic, or financial situation, or to its profitability, in the event of a negative outcome to such legal proceedings.

With respect to the tax audit work conducted by the Italian Tax Authorities for years 2008, 2014 and 2015 litigations are pending before the tax Court of Milan having as object international intragroup arrangements and transactions. The assessment of Italian Tax Authorities is deemed unfounded by the Issuer and, as consequence, a negative outcome of the dispute is considered unlikely. Nonetheless, a negative outcome of such tax proceedings cannot be ruled out including potential penalty and interest charges and could in such event negatively impact the Issuer's profitability.

The Issuer's IT systems

The Issuer's banking activities are dependent on highly sophisticated information technology (**IT**) systems, which are vulnerable to a number of problems including viruses, hacking and other causes of system failure.

The Issuer's provisions for credit losses are inherently uncertain and depend on many factors.

The Issuer's provisions for credit losses provide for losses inherent in loans and advances and other credit exposures. Estimating losses is inherently uncertain and depends on many factors, including general economic conditions, rating migration, structural and technological changes within industries and changes in customer preferences that alter competitive positions, mismanagement by customers and other external factors such as legal and regulatory requirements.

3. ***Risks related to the impact of global macro-economic factors***

Global market conditions

The Issuer's performance is affected by the general economic conditions, the performance of financial markets and of market participants and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy and the current risks relating to the Chinese property sector remain highly uncertain in both the short term and medium term. Material adverse effects on the business and profitability of the Issuer may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism, wars and any other similar event occurring in the countries where it operates and, as recently experienced, a pandemic emergency). In addition, the Issuer and its Group's performance is affected by factors such as investor confidence, financial market liquidity, the availability and cost of borrowing on the capital markets, inflationary pressure, supply chain disruptions, geopolitical risks as well as potential deterioration of international trade relations, and weakness of global, regional and national economic conditions, all of which are by their very nature, connected to the general macroeconomic situation. Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets.

The high levels of uncertainty characterising the current macroeconomic situation are mainly due to: (i) the impact of government and international regulatory bodies' responses to COVID-19 on global growth and individual countries; (ii) the Russia – Ukraine conflict; (iii) the U.S.-driven trend towards protectionism; (iv) the uncertain outcome of the commercial dispute between the US and China, which could have an effect on international trade and therefore global production; (v) the developments associated with Brexit; (vi) future developments in the European Central Bank (the "**ECB**") and U.S. Federal Reserve ("**FED**") monetary policies and the policies implemented by various countries, including those aimed at promoting competitive devaluations of their currencies; (vii) the sustainability of the sovereign debt of certain countries, including Italy, and the related, repeated shocks to the financial markets; and (viii) the potential negative impacts on the economy arising from climate change and global warming at both world and national level.

If the Issuer does not adapt in a timely and appropriate manner to changes resulting from the uncertain macroeconomic environment and industry conditions, or to difficulties in the financial markets, or if it is unable to continue to access the capital markets, the Issuer's ability to access the capital and financial markets and to refinance debt to meet the financial requirements may be adversely impacted and costs of financing may significantly increase. This could materially and adversely affect the business, results of operations and financial condition of the Issuer, with a consequent adverse effect on the market value of the Covered Bonds and the Issuer's ability to meet its obligations under or in connection with the Covered Bonds.

Risks associated with the Covid-19 pandemic

The outbreak of the health crisis deriving from the spread of COVID-19, also known as coronavirus, is having, and may have for an unforeseeable period of time, important health, social and economic consequences worldwide, including Italy. Both the outbreak and government measures taken in response (including border closings, travel restrictions, confinement measures) have had and are likely to continue to have a significant impact, both directly and indirectly, on economic activity and financial markets globally. Indeed, such measures led to a reduction in revenues on the majority of the corporate customers, an increase of costs related to the actions necessary to contain and prevent the spread of COVID-19 and, in turn, on the ability to pay existing debt (potentially also to the Issuer) and on current employment levels. Notwithstanding the recent vaccination efforts by national governments, the slowdown of the economies particularly affected in 2020 (e.g. China, Italy, France, Spain, the United Kingdom, other European countries and the United States) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented. Any of such circumstances may have an impact on the Issuer's results and, in turn, on the Issuer's ability to pay interest or repay principal under the Covered Bonds.

In response to the adverse economic and market consequences of the pandemic, various governments and central banks have taken or announced measures to support the economy (such as loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (such as increased asset purchases, funding facilities). No assurance can be given that such measures will suffice to offset the negative effects of the pandemic on the economy regionally or globally, to stave off regional or global recessions or to stabilise financial markets.

The Issuer and its Group's macroeconomic, business and operating environment improved over the course of 2021 as the global economy experienced a strong recovery from the pandemic recession. However, the near-term outlook has deteriorated, and downside risks have increased as inflationary pressure has intensified further, supply-side disruptions have become more entrenched, and the new, highly infectious Omicron variant of COVID-19 spread rapidly across the globe. Significant uncertainties still remain about the evolution, severity and duration of the economic consequences of the pandemic. Should the COVID-19 pandemic and the consequent economic crisis situation persist in the forthcoming months, further negative impacts may arise on the Issuer's business situation, also due to the fact that such crisis situation increases the materiality of most of the risks to which the Issuer is exposed to and in turn the Group's results and financial condition might be materially adversely affected.

Risks associated with the Russia – Ukraine conflict

Throughout 2021 the Russian military build-up along the border of Ukraine has escalated tensions between Russia and Ukraine and strained bilateral relations. These events have continued in February 2022 with Russia recognising the independence of two separatist regions within Ukraine and commencing a mission to purportedly maintain peace in these regions throughout a military intervention in Ukraine. Following such events, the EU, the United States, the UK, Switzerland, Canada, Japan, Australia and other countries have moved to impose broad-based sanctions (including asset-freeze / blocking sanctions) targeting Russia, as well as announced the disconnection of selected Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**"). The sanctions have also banned primary and/or secondary trading of sovereign debt and other select securities. It is possible that additional sanctions may be imposed, including additional or new asset-freezing / blocking sanctions of individuals or companies, a prohibition on the conversion of RUB into USD, EUR or GBP, and the disconnection of additional Russian banks from the SWIFT financial transfers system. Sanctions are subject to rapid changes and it is also possible that new direct or indirect secondary sanctions could be imposed by the United States or other jurisdictions without warning as a result of developments. The imposition of sanctions could lead to unpredictable reactions from Russia, particularly resulting in a disruption of gas supplies to the EU. The uncertainty with respect to future developments remains high due to high inflation caused by a sharp increase in the cost of energy and raw materials. High volatility in commodity prices could lead to unforeseeable developments in the markets. The crisis has the potential to worsen the already stressed energy price situation in Europe, which could lead to an economic slowdown driving increased losses, including higher credit provisions, in the Issuer and its Group's portfolio. Any of such circumstances may have an impact on the business, results of operations and financial condition of the Issuer and, in turn, on the Issuer's ability to pay interest or repay principal under the Covered Bonds.

Risks associated with the UK's withdrawal from the EU (Brexit)

On 29 March 2017, the UK invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw from the EU. On 31 January 2020 the UK withdrew from the EU and the transition period, during which the UK was bound by EU rules despite not being its member state and remained in the single market area, ended on 31 December 2020 at 11 pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ended the supremacy of EU law in the UK and, together with secondary legislation made under it, ensures there is a functioning statute book in the UK.

On 24 December 2020, the EU and the UK reached an agreement on the Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

Uncertainties remain concerning the economic consequences of the withdrawal of the UK from the European Union. Due to a lack of precedent on withdrawals from the EU, Brexit could have unpredictable consequences for credit markets, the EU single market and other important financial and trade relationships, which could adversely affect the Issuer's business, results of operations and financial performance, in particular in the Eurozone, especially in case of further delays or possibly a failure to reach agreement on matters determining mutual "equivalence" under respective legislation, this will lead to greater costs to reorganize parts of the Issuer and the Group's business and will restrict their ability to provide financial services to and from the UK in the seamless manner that was done previously.

4. *Risks related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crises*

The Issuer conducts its businesses subject to ongoing regulatory and associated risks, including the effects of changes in laws, regulations and policies in Italy and at a European level. The timing and the form of future changes in regulation are unpredictable and beyond the control of the Issuer, and changes made could materially adversely affect the Issuer's business.

The Issuer is required to hold a licence for its operations and is subject to regulation and supervision by authorities in Italy and in all other jurisdictions in which it operates. Extensive regulations are already in place and new regulations and guidelines are introduced relatively frequently. The rules applicable to banks and other entities in banking groups are mainly provided by implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the "**Basel Committee**" or the "**BCBS**") and aim at preserving their stability and resilience and limiting their risk exposure.

The Issuer is also subject to extensive regulation and supervision by the Bank of Italy, CONSOB, the European Central Bank ("**ECB**") and the European System of Central Banks. The banking laws to which the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and European Union that will affect the Issuer – including proposed regulatory initiatives that could significantly alter the Issuer's capital requirements.

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

In addition, there can be no assurance that the implementation of the new capital requirements, standards and recommendations will not require the Issuer to issue additional securities that qualify as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have adverse effects on the Issuer's business, financial condition and results of operations. Furthermore, increased capital requirements may negatively affect the Issuer's return on equity and other financial performance indicators.

Basel III and Bank Capital Adequacy

The Issuer must comply with the revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, developed by the Basel Committee on Banking Supervision, which impose requirements for, *inter alia*, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. In terms of banking prudential regulations, the Issuer is also subject to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 ("**BRRD**", implemented in Italy with the Legislative Decree. 180 and 181 of 16 November 2015, as amended) on the recovery and resolution of credit institutions, as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority ("**EBA**") and the European Securities and Markets Authority ("**ESMA**")), which, *inter alia*, provide for capital requirements for credit institutions, recovery and resolution mechanisms. In particular, the BRRD is intended to enable a wide range of actions that could be taken towards institutions considered to be at risk of failing (i.e. the sale of business, the asset separation, the bail-in and the bridge bank).

Should the Issuer not be able to implement the approach to capital requirements considered optimal in order to meet the capital requirements imposed by the applicable laws and regulations, it may be required to maintain levels of capital which could potentially impact its credit ratings and funding conditions. The execution of any action under the BRRD towards the Issuer could materially affect the value of, or any repayments linked to the Covered Bonds.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and the Regulation (EU) No. 575/2013 (the "**CRR**", together with the CRD IV Directive, the "**CRD IV Package**"), as subsequently updated. In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a minimum requirement of own funds and eligible liabilities (the "**Minimum Requirement for Own Funds and Eligible Liabilities**", "**MREL**").

The Banking Reform Package also contains Directive (EU) 2019/879 ("**BRRD II**"), which amended the BRRD, introducing, *inter alia*, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of the MREL itself. The MREL requirement constrains the Group structure of liabilities and it requires the use of subordinated instruments, in the sense of eligible liabilities, which may impact the costs structure of the Group and potentially the Issuer's financing ability. Prospective covered bondholders should note that the resolution strategy and the MREL requirement is currently under discussion with the competent Authority.

In this context, a few other relevant provisions are the implementation of Directives 2014/49/EU (Deposit Guarantee Schemes Directive) of 16 April 2014 and the adoption of the (EU) Regulation no. 806/2014 of the European Parliament and the Council of 15 July 2014 (Single Resolution Mechanism Regulation – so called "**SRMR**"), which may determine a significant impact on the economic and financial position of the Issuer, as such rules set the obligation to create specific funds with financial resources that shall be provided, starting from 2015, by means of contributions by the credit institutions. Moreover, Regulation 2019/876/EU of the European Parliament and the Council, which amends Regulation 575/2013/EU (so called "**CRR II**") and the Directive of the Parliament and the Council 2019/878/EU, which amends CRD IV Directive (so called "**CRD V**") must be taken into consideration and put in force by the Issuer.

On 15 October 2013, the Council of the European Union adopted the Council Regulation (EU) No. 1024/2013 granting specific tasks to the ECB as per prudential supervision policies of credit institutions (the "**SSM Regulation**") in order to establish a single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**"). From 4 November 2014, the SSM Regulation has given the ECB, in conjunction with the national regulatory authorities of the Eurozone and participating Member States, direct supervisory responsibility over "banks of significant importance" in the Eurozone.

In this respect, "banks of significant importance" include any Eurozone bank in relation to which that (i) the total value of its assets exceeds has assets greater than €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds greater than 20% of national gross domestic product; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities.

Notwithstanding the fulfilment of the relevant criteria, the ECB, on its own initiative after consulting with each national competent authority or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. The Issuer has been included in the ECB list of supervised entity (last updated on January 2022) and significant supervised group within the meaning of Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and each national competent authority and with national designated authorities (the SSM Framework Regulation) and, as such, are subject to direct prudential supervision by the ECB in respect of the functions granted to ECB by the SSM Regulation and the SSM Framework Regulation.

Such changes in the regulatory framework and in how they are implemented may have a material effect on the Issuer's business and operations. As the new framework of banking laws and regulations affecting the Issuer is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Issuer. Prospective investors in the Covered Bonds should consult their own advisers as to the consequences for them of the application of the above regulations as implemented by each Member State.

Risks related to the outcomes of the Supervisory Review and Evaluation Process (SREP)

Moreover, the Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process ("**SREP**"). Following the Supervisory Review and Evaluation Process (SREP) the ECB provides, on an annual basis, a final decision of the capital requirement that the Issuer must comply with a consolidated level on the basis of the consolidated situation of Deutsche Bank S.p.A. Group Latest SREP assessment by competent authority turned into no additional Pillar 2 SREP Add-on of CET Capital.

However, there can be no assurance that the total capital requirements imposed on the Issuer from time to time may not be higher than the levels of capital available at such time. Also, there can be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any further own funds requirements on the Issuer or the Group.

5. *Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles*

The Issuer is exposed, as well as any other entity operating within the bank sector, to the effects deriving from both the entry into force of new accounting principles and the amendment of the existing ones, in particular with respect to the international IAS/IFRS accounting principles, as approved and adopted within the European legal system.

In this regard, an important change occurred with the introduction, starting from 1 January 2018, of IFRS 9 "*Financial Instruments*" that, following the entry into force on 19 December 2016 of Regulation (EU) 2016/2067, replaced IAS 39 "*Financial Instruments: Recognition and Measurement*". IFRS 9 introduced:

(i) significant changes to the rules related to the classification and measurement of financial assets that are based on the management method ("business model") and on the characteristics of the cash flows of the financial instrument (SPPI criterion—Solely Payments of Principal and Interests) which could involve different classification and measurement methods for financial instruments compared with IAS 39;

(ii) new impairment accounting model based on a "forward looking expected losses" impairment model rather than an incurred losses approach as in IAS 39 (calculated over a 12-month time horizon) and on the concept of a lifetime expected loss which could lead to a structural anticipation and increase of the value adjustments, particularly those on receivables;

(iii) a "three stage impairment model" for impairment based on changes in credit risk of a financial asset since its initial recognition. These three stages then determine the amount of impairment to be recognized as expected credit losses:

  (i) in Stage 1 are allocated financial instruments (performing) that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these instruments 12-month expected credit losses ("ECL") are calculated;

  (ii) Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) without objective evidence of impairment. For these financial instruments, lifetime ECL are calculated;

  (iii) in Stage 3, financial assets with objective evidence of impairment at the reporting date are allocated. Lifetime ECL is also recognized for these instruments; and

(iv) new rules for the designation of a hedge account and for checking its effectiveness with the aim of guaranteeing a better alignment between the accounting representation of the hedging and the underlying management logics.

Moreover, accounting standard IFRS 16 (Leases), published by the IASB on 13 January 2016 and endorsed by the European Commission on 9 November 2017, superseded accounting standard IAS 17 (Leases) on 1 January 2019.

Specifically, the new standard introduces new accounting rules for leasing contracts for the lessees (i.e. the users of the goods under a contract for lease). These rules are based on the definition of 'lease' as a contract in which the right to control the use of an identified asset is granted for a specified period of time, in exchange for payment.

As a result of this definition, the lessee must recognize the right-of-use of the underlying asset as an asset on the balance sheet, and that asset will subsequently be subject to depreciation; the lessee must then also recognize the present value of lease payments (to be made over the full lifetime of the contract) as a liability.

The European Union published a Commission Regulation endorsing "*Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*" issued by the IASB in March 2021.

These amendments extended, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The *Commission Regulation amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council* was published in the Official Journal of the European Union in August 2021. The Regulation enters into force in September 2021 and is directly applicable in each of the Member States. The provisions apply starting from April 2021 for financial years starting at the latest in January 2021.

Afterwards, the *Commission Regulation (EC) No 2021/2036 of 19 November 2021 amending Regulation (EC) No 1226/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council* has been published in the Official Journal as of 23 November 2021. This Regulation adopted IFRS 17 Insurance Contracts as well as subsequent Amendments to the IFRS under consideration.

In conclusion, it should be noted that the European Commission endorsed the following accounting principles and interpretations that are applicable starting from 2018 financial statements:

- Regulation (EU) No. 2017/1987 which adopts amendments to IFRS 15 "*Revenue from contracts with customers – Clarifications of IFRS 15*";

- Regulation (EU) No. 2017/1988 which adopts amendments to IFRS 4 "*Joint application of IFRS 9 Financial Instruments" and IFRS 4 "Insurance Contracts*";

- Regulation (UE) No. 2018/182 which adopts the "*Annual improvements to IFRS Standards 2014-2016 Cycle*";

- Regulation (UE) No. 2018/289 which adopts the "*Amendment to IFRS 2: Classification and Measurement of Share-based Payment Transactions*";

- Regulation (UE) No. 2018/400 which adopts the "*Amendment to IAS 40: Transfers of Investment Property*";

- Regulation No. 2018/519 which adopts "*IFRIC 22: Foreign Currency Transactions and Advance Consideration*".

Following the entry into force and subsequent application of new accounting standards, regulatory rules and/or the amendment of existing standards and rules, the Issuer may have to revise the accounting and regulatory treatment of certain outstanding assets and liabilities (*e.g.*

deferred tax assets) and transactions (and the related income and expense). This may have potentially negative effects, also significant, on the estimates contained in the financial plans for future years and may cause the Issuer to have to restate previously published financials.

II. RISKS RELATED TO COVERED BONDS

The risks below have been classified into the following categories:

Risks related to the nature of the Covered Bonds;

Risks related to the market generally;

Risks related to the Guarantor and the Covered Bond Guarantee; and

Risks related to the underlying.

1. *Risks related to the nature of the Covered Bonds*

The Covered Bonds may not be a suitable investment for all investors

The Covered Bonds may not be a suitable investment for all investors. Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Obligations 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. Consequently, any claim directly against the Issuer in respect of the Covered Bonds will not benefit from any security or other preferential arrangement granted by the Issuer. The Guarantor has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the service on the Guarantor of a Notice to Pay. Failure by the Guarantor to pay amounts due under the Covered Bond Guarantee in respect of any Series or Tranche would constitute a Guarantor Event of Default which would entitle the Representative of the Covered Bondholders to serve an Acceleration Notice and accelerate the obligations of the Guarantor under the Covered Bond Guarantee and entitle the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee. The occurrence of an Issuer Event of Default does not constitute a Guarantor Event of Default.

Obligations under the Covered Bonds

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

Base Prospectus to be read together with applicable Final Terms

The terms and conditions of the Covered Bonds included in this Base Prospectus apply to the different types of Covered Bonds which may be issued under the Programme. The *full* terms and conditions applicable to each Series of Covered Bonds can be reviewed by reading the Conditions as set out in *full* in this Base Prospectus, which constitute the basis of all Covered Bonds to be offered under the Programme, together with the applicable Final Terms which completes the Conditions of the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Covered Bonds.

Covered Bonds issued under the programme

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

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted by the Guarantor under the Covered Bond Guarantee. If an Issuer Event of Default and a Guarantor Events of Default occur and result in acceleration, all Covered Bonds of all Series will accelerate at the same time.

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 such features:

(i) *Covered Bonds subject to optional redemption by the Issuer*

Covered Bonds which include a redemption option by the Issuer are likely to have a lower market value than similar covered bonds which do not contain an Issuer redemption option. 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 may be redeemed. This may also be the case 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.

(ii) Redemption for tax reasons

In the event that the Issuer would be obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the First Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Covered Bonds in accordance with the Conditions.

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

(iii) Zero Coupon Covered Bonds

The Issuer may issue Covered Bonds which do not pay current interest but are issued at a discount from their nominal value or premium from their principal amount. Such Covered Bonds are characterised by the circumstance that the relevant covered bondholders, instead of benefitting from periodical interest payments, shall be granted an interest income consisting in the difference between the redemption price and the issue price, which difference shall reflect the market interest rate. A holder of a zero coupon covered bond is exposed to the risk that the price of such covered bond falls as a result of changes in the market interest rate. Prices of zero coupon covered bonds are more volatile than prices of fixed rate covered bonds and are likely to respond to a greater degree to market interest rate changes than interest bearing covered bonds with a similar maturity. 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.

(iv) *Fixed/Floating Rate Covered Bonds*

Fixed/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the 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, 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, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

(v) Interest rate risks

Investments in Fixed Rate Covered Bonds involve the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

(vi) Floating rate risks

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

(vii) Covered Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Covered Bonds generally

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

Programme Resolutions

Any Programme Resolution to direct the Representative of the Covered Bondholders to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding as set out in the Rules of the Organisation of Covered Bondholders attached to the Conditions as Schedule 1 and cannot be decided upon at a meeting of Covered Bondholders of a single Series. A Programme Resolution will be binding on all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

Amendment to the Transaction Documents

Pursuant to the Rules of Organisation of the Covered Bondholders, the Representative of the Covered Bondholders may, without the consent or sanction of any of the Covered Bondholders, concur with the Issuer and/or the Guarantor and any other relevant parties in making or sanctioning any modifications to the Rules of the Organisation of the Covered Bondholders, the Conditions and/or the other Transaction Documents:

(vi) provided that in the opinion of the Representative of the Covered Bondholders which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, Rating Agency or other expert, as described in the Conditions such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series; or

(vii) which in the opinion of the Representative of the Covered Bondholders which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, Rating Agency or other expert, as described in the Conditions are made to correct a manifest error or an error established as such to the satisfaction of the

Representative of the Covered Bondholders or of a formal, minor or technical nature or are made to comply with mandatory provisions of law.

The implementation of certain amendments to the Transaction Documents will pursuant to the Transaction Documents be subject to the receipt of written confirmation from the Rating Agency then rating the Covered Bonds that the then current ratings of each Series of Covered Bonds rated thereby will not be qualified, downgraded or withdrawn as a result of such modification (a **Rating Agency Confirmation**). If the Rating Agency then rating the Covered Bonds either: (i) does not respond to a request by the Representative of the Covered Bondholders to provide a Rating Agency Confirmation within 7 days after such request is made; or (ii) provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the Rating Agency with respect to such matter will be deemed waived. Therefore, it is possible that the amendment may be made without having obtained a Rating Agency Confirmation from the Rating Agency then rating the Covered Bonds; provided that the requirement of the Rating Agency Confirmation will be deemed to be waived if the relevant amendments have been expressly approved by the Covered Bondholders.

Covered Bondholders are bound by Extraordinary Resolutions

A meeting of Covered Bondholders may be called to consider matters which affect the rights and interests of Covered Bondholders. These include (but are not limited to): (a) waiving an Issuer Event of Default or a Guarantor Event of Default; (b) appoint and remove the Representative of the Covered Bondholders; (c) approve any modification, abrogation, variation or compromise in respect of (i) the rights of the Representative of the Covered Bondholders, the Issuer, the Guarantor, the Covered Bondholders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (ii) the Rules of Organisation of the Covered Bondholders, the Conditions or any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Representative of the Covered Bondholders and/or any other party thereto. Any Extraordinary Resolution passed at such a meeting will bind each Covered Bondholder, irrespective of whether they attended the meeting and whether they voted in favour of the Extraordinary Resolution.

In addition, the Representative of the Covered Bondholders may agree to the modification of the Transaction Documents without consulting Covered Bondholders to correct a manifest error or where such modification (a) is of a formal, minor, administrative or technical nature or (b) in the opinion of the Representative of the Covered Bondholders, is not or will not be materially prejudicial to Covered Bondholders and in any case, only in accordance with the provisions set forth under the Transactions Documents.

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

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

In the exercise of its powers, trusts, authorities and discretions the Representative of the Covered Bondholders shall only have regard to the interests of the Covered Bondholders and the other Secured Creditors but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between these interests the Representative of the Covered Bondholders shall have regard solely to the interests of the Covered Bondholders.

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

Rating of the Covered Bonds

There is no obligation of the Issuer to maintain any rating for itself or for the Covered Bonds. The ratings that may be assigned by Moody's to the Covered Bonds address the expected loss posed to the Covered Bondholders. Ratings do not constitute recommendations to buy, sell, or hold any security, nor do they comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of any payments of any security. Credit ratings do not directly address any risk other than credit risk. Credit ratings do not comment on the adequacy of market price or market liquidity. Credit ratings are opinions on relative credit quality and not a predictive measure of specific default probability.

Ratings may be changed, qualified, placed on rating watch or withdrawn at any time. A suspension, reduction or withdrawal of the rating can negative affect the market price of the bonds issued.

Any such evaluation may be helpful for the investors in order to assess the credit risk connected to financial instruments, because it provides references about the ability of the issuer to fulfil its obligations. The lower the rating assigned, in accordance with the relevant scale of values, the higher the risk, assessed by the rating agencies, the obligations will not be fulfilled or will be fulfilled only in part or not in time. A credit rating, if provided, is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

In general, European regulated investors are restricted from using a rating for regulatory purposes unless (1) such rating is issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under Regulation (EC) No. 1060/2009, as amended (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 Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (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.

A credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be subject to revision or withdrawal by the Rating Agencies at any time. 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.

Changes to rating methodology and rating criteria may adversely affect the then current ratings of the Covered Bonds

Covered Bondholders should note that at any time any Rating Agency may revise its relevant rating methodology or revise its current ratings criteria with the result that, among other things, any rating assigned to the Covered Bonds may be lowered and/or in order to comply with any such revised criteria or rating methodology, amendments may need to be made to the Programme Documents. However, Covered Bondholders should note that the Issuer, the Guarantor and the relevant transaction parties will be permitted, but not obliged, to make such amendments to the relevant Programme Document to effect such changes without the prior consent or sanction of the Covered Bondholders in accordance with the provisions of Rule 31 (*Amendments and modifications*).

Any changes to the methodology applied for rating covered bonds or the expectations of the rating agencies with regards to the nature of counterparty contracts and ratings of covered bond pool counterparties might lead to a downgrade of the Covered Bonds or re-affirmation of the Covered Bond rating.

Legal investment considerations may restrict certain investments

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

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

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

Law 130

The Law 130 was enacted in Italy in April 1999 and amended to allow for the issuance of covered bonds in 2005. The Law 130 was further amended during the following years, including on 30 November 2021 by way of the Legislative Decree no. 190 of 5 November 2021 (the "**Decree 190/2021**") implementing Directive (EU) 2019/2162, which aims at amending article 7-bis of Law 130.

As at the date of this Base Prospectus, no interpretation of the application of the Law 130 as it relates to covered bonds has been issued by any Italian court or governmental or regulatory authority, except for (a) the MEF Decree setting out the technical requirements of the guarantee which may be given in respect of covered bonds and (b) the Bank of Italy instructions concerning guidelines on the valuation of assets, the procedure for purchasing integration assets and controls required to ensure compliance with the legislation. Consequently, it is possible that such or different authorities may issue further regulations relating to the Law 130 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus.

Changes of law

The structure of the Programme and *inter alia* the issue of the Covered Bonds and the rating which may be assigned to the Covered Bonds upon the relevant issue are based on Italian law, tax and administrative practice in effect at the date of this Base Prospectus, and having due regard to the expected tax treatment of all relevant entities under such law and practice (and in the case of the Deed of Charge and the Swap Agreements the English Law).

Except to the extent that any such changes represent a significant new factor or result in this Base Prospectus containing a material mistake or inaccuracy, in each case which is capable of affecting the assessment of the Covered Bonds, the Issuer and the Guarantor will be under no obligation to update this Base Prospectus to reflect such changes.

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

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

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

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

Member States had to transpose the Directive by 8 July 2021. Such deadline expired without the implementation having been made in Italy. The Regulation shall apply from 8 July 2022. The Issuer will need to implementation the measures 8 July 2022 at the latest.

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 is entrusted with the issuing of the implementing regulations by 8 July 2022. In these regulations, the Bank of Italy will also have to assess whether to exercise the option provided for in the Directive that allows Member States to lower the threshold of the minimum level of overcollateralization.

No assurance can be given that Italian law, tax or administrative practice or its interpretation will not change after the Issue Date of any Series or Tranche or that such change will not adversely impact the structure of the Programme and the treatment of the Covered Bonds. This Base Prospectus will not be updated to reflect any such changes or events.

Controls over the transaction

The Bank of Italy Regulations require that certain controls be performed by the Issuer (see "*Selected aspects of Italian law – Controls over the transaction*"), aimed, *inter alia*, at 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 relevant policies and controls could have an adverse effect on the Issuers' or the Guarantor's ability to perform their obligations under the Covered Bonds.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmarks Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU.

The Benchmark Regulation could have a material impact on any Covered Bonds linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it would no longer persuade or compel banks to submit rates for the calculation of the London Interbank Offered Rate ("**LIBOR**") benchmark after 2021 and confirmed on 5 March 2021 that most the LIBOR benchmark tenors would cease or cease to be representative benchmarks from 31 December 2021 or (in the case of certain tenors of USD LIBOR only) from 30 June 2023. On 5 March 2021, the administrator for LIBOR (the "**ICE Benchmark Administration**" or "**IBA**") similarly announced that it would cease the publication of the relevant LIBOR settings on 31 December 2021 or 30 June 2023, unless the FCA exercises its proposed new powers (which are included in the current UK Financial Services Bill as proposed amendments to the UK Benchmarks Regulation) to require the IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis). Such announcements indicate that LIBOR will not continue in its current form and the UK Financial Conduct Authority announcement of 5 March 2021 indicated that it is currently contemplating that any "synthetic" basis, if adopted, would be limited to a small number of currencies and settings. In addition, on 29 November 2017, the Bank of England and the Financial Conduct Authority announced that, from January 2018, its working group on Sterling risk free rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark 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 €STR or an alternative benchmark.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6(x) (*Benchmark discontinuation*)), or result in adverse consequences to holders of any Covered Bond linked to such benchmark (including Floating Rate Covered Bonds whose interest rates are linked to any benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Covered Bond, the return on the relevant Covered Bond and the trading market for securities (including the Covered Bonds) based on the same benchmark.

The Terms and Conditions of the Covered Bonds provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Covered Bonds may not achieve this objective. Any such changes may result in the Covered Bonds performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Covered Bonds based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Covered Bonds.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Covered Bonds linked to or referencing a benchmark.

The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Covered Bonds

Investors should be aware that the market continues to develop in relation to SONIA and the Secured Overnight Financing Rate ("**SOFR**") as reference rates in the capital markets and their adoption as an alternative to Sterling or U.S. Dollar LIBOR. In particular, market participants and relevant working groups are still exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA and SOFR rate over a designated term). The continued development of SONIA and SOFR rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA and SOFR based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Covered Bonds.

The use of SONIA and SOFR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing to SONIA and SOFR. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked covered bonds issued to date and no assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Covered Bonds, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA or SOFR that differs significantly from that set out in the Terms and Conditions of the Covered Bonds as applicable to the Covered Bonds. Furthermore, the Issuer may in future issue Covered Bonds referencing SONIA or SOFR that differ materially in terms of interest determination when compared with the Covered Bonds. In addition, the manner of adoption or application of SONIA or SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA or SOFR in other markets, such as the derivatives or SOFR and loan markets. Covered Bondholders should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing to SONIA or SOFR.

SONIA and SOFR differ from LIBOR in a number of material respects and have a limited history

SONIA and SOFR differ from LIBOR in a number of material respects, including that SONIA and SOFR are backwards-looking, compounded, risk-free overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA or SOFR may behave materially differently to interbank offered rates as interest reference rates for the Covered Bonds. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Publication of SONIA and SOFR in their current form began in April 2018 and they therefore have a limited history. The future performance of SONIA and SOFR may therefore be difficult to predict based on the limited historical performance. The level of such rates during the term of the Covered Bonds may bear little or no relation to the historical level of SONIA or SOFR. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA and SOFR such as correlations, may change in the future.

Furthermore, interest on Covered Bonds which reference a backwards-looking risk-free rate is only capable of being determined at the end of the relevant reference period and immediately prior to the relevant Interest Payment Date. It may be difficult for Covered Bondholders to estimate reliably the amount of interest which will be payable on such Covered Bonds, and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which factors could adversely impact the liquidity of such Covered Bonds. Further, in contrast to Covered Bonds linked to interbank offered rates, if the Covered Bonds referencing to a backwards-looking risk-free rate become due and payable as a result of an Event of Default under Condition 12 (Events of Default), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final interest rate payable in respect of such Covered Bonds shall be determined by reference to a shortened period ending immediately prior to the date on which the Covered Bonds become due and payable.

The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR

The Bank of England or The New York Federal Reserve (or a successor), as administrator of SONIA or SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Covered Bonds will apply). The administrator has no obligation to consider the interests of Covered Bondholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

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

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

In such a case, prospective investors should have regard to the information set out at "Reasons for the offer, estimated net proceeds and total expenses" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Covered Bonds together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change adaptation and mitigation objectives (the "**EU Taxonomy Regulation Delegated Acts**") adopted by the EU Commission on 21 April 2021 and formally adopted on 4 June 2021 for scrutiny by the co-legislators (the EU Taxonomy Regulation and the EU Taxonomy Regulation Delegated Acts, jointly, the "**EU Taxonomy Framework**") or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects). With respect to the remaining environmental objectives, a second delegated act is expected to be published in 2022. On 6 July 2021 the European Commission adopted the delegated act supplementing Article 8 of the EU Taxonomy Regulation for scrutiny by co-legislators. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

On 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the "**EU Green Bond Standard**"). In the context of the public consultation on the renewed sustainable finance strategy, the European Commission launched a targeted consultation on the establishment of an EU Green Bond Standard, that builds and consults on the work of the Commission Technical Expert Group, and has run between 12 June and 2 October 2020. On 19 October 2020, the European Commission published the Commission Work Programme 2021, in which expressed the intention to deliver a legislative proposal by the end of the second quarter of 2021. On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy (as defined above); (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subjection to its supervision.

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes or may be classified as, a "green", "social" or "sustainable" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Framework is nevertheless subject to further developments. Even if a definition or market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objectives (including those set out under the EU Taxonomy Framework) or that any adverse green, social, sustainable and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects, Eligible Social Projects and/or Eligible Sustainable Projects, as the case may be, towards which proceeds of the Covered Bonds are to be applied. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the GBP and/or the SBP and/or the SBG and/or the EU Taxonomy Framework. Any such changes could have an adverse effect on the liquidity and value of and return on any such Green Bond, Social Bond or Sustainability Bond.

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

In the event that any such Green Bonds, Social Bonds or Sustainability Bonds are listed or admitted to trading on any dedicated "green", "social", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealer(s) or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects (as the case may be). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealer(s) or any other person that any such listing or admission to trading will be obtained in respect of any such Green Bonds, Social Bonds or Sustainability Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds, Social Bonds or Sustainability Bonds (as the case may be).

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects (either resulting from the original application of the proceeds of the Covered Bonds or a subsequent reallocation of such proceeds), as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for the specified Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects. Nor can there be any assurance that (i) such Eligible Green Projects, Eligible Social Projects or Eligible Sustainable

Projects will be completed within any specified period or at all or (ii) with the results or outcome as originally expected or anticipated by the Issuer or (iii) the originally designated green project or social project or sustainable project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds) will not be the potentially or actual disqualified as such. Any such event or failure by the Issuer (including to comply with its reporting obligations in relation to Green Bonds, Social Bonds or Sustainability Bonds) any actual or potential maturity mismatch between the green, social or sustainable asset(s) towards which proceeds of the Covered Bonds may have been applied and the relevant Covered Bonds or if any other risk(s) set out or contemplated by this risk factor with respect to Green Bonds, Social Bonds or Sustainability Bonds are realised, such occurrence will not, with respect to any Covered Bonds (i) give rise to any claim of a Covered Bondholders against the Issuer; (ii) constitute an Event of Default under the Covered Bonds; (iii) lead to an obligation of the Issuer to redeem such Covered Bonds or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Covered Bonds and (iv) prevent the applicability of the General Bail-In Tool (or any other provision of the Regulatory Capital Requirements). Neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant Eligible Green Project, Eligible Social Project or Eligible Sustainable Project (as the case may be) nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds are to be applied.

Any such event or failure to apply the proceeds of any issue of Green Bonds, Social Bonds or Sustainability Bonds for any Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Green Bonds, Social Bonds or Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Green Bonds, Social Bonds or Sustainability Bonds and also potentially the value of any other Covered Bonds which are intended to finance Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, Green Bonds, Social Bonds or Sustainability Bonds may also qualify as own funds or eligible liabilities. The fact that Covered Bonds which qualify as own funds or eligible liabilities are also Green Bonds, Social Bonds or Sustainability Bonds shall not impact (i) any of the features of such Covered Bonds, including (without limitation, as applicable) features relating to ranking, permanence, loss absorption and/or flexibility of payments or enhance the performaNce of the relevant Covered Bonds in any way, (ii) the availability of the Covered Bonds (or the proceeds thereof) to absorb all losses (whether or not related to any green, social or sustainable assets towards which proceeds of the relevant Covered Bonds may have been applied or, if relevant, reallocated) in accordance with their terms (if applicable) or the Regulatory Capital Requirements, (iii) the relevant CRR eligibility criteria applicable to the qualification of the relevant Covered Bonds as own funds or eligible liabilities (as appropriate) or applicability of the relevant BRRD requirements for own funds and eligible liabilities or (iv) the risks related to the qualification of such Covered Bonds as as own funds or eligible liabilities (as appropriate).

U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Covered Bonds are held within Clearstream or Euroclear (together, the **ICSDs**), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs in respect of such Covered Bonds. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Covered Bonds are discharged once it has made payment to, or to the order of the ICSDs and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer to the section "Foreign Account Tax Compliance Act".

Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an **IGA**) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

Automatic exchange of information

Legislative Decree No. 29 of 4 March 2014, as supplemented from time to time, has implemented the EU Council Directive 2011/16/EU (as amended by 2014/107/EU, 2015/2376/EU, 2016/881/EU; 2016/2258/EU and 2018/822/EU), on administrative cooperation in the field of taxation (the "**DAC**").

The main purpose of the DAC is to extend the automatic exchange of information mechanism between Member State, in order to fight against cross border tax fraud and tax evasion. The new regime under DAC is in accordance with the Global Standard released by the Organization for Economic Cooperation and Development in July 2014.

The Directive on Administrative Cooperation (2014/107/EU) of December 9, 2014 ("**DAC 2**") implemented the exchange of information based on the Common reporting Standard ("**CRS**") within the EU. Under CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence, and reporting procedures.

The EU Council Directive 2018/822/EU of 25 May 2018 ("**DAC 6**") implemented the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. Under DAC 6 intermediaries which meet certain criteria and taxpayers are required to disclose to the relevant Tax Authorities certain cross-border arrangements, which contain one or more of a prescribed list of hallmarks, performed from 25 June 2018 onwards.

On August 26, 2020, the Legislative Decree No. 100, July 30, 2020 (the "**DAC 6 Decree**"), implementing the said Directive, with disclosure obligations for intermediaries and taxpayers, was published. Italian Ministry of Finance issued a Ministerial Decree on November 20, 2020, clarifying certain criteria set by the Italian law that trigger the reporting obligations.

Investors should consult their professional tax advisers.

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

Potential investors should consider the tax consequences of investing in the Covered Bonds and consult their tax adviser about their own tax situation. Notwithstanding anything to the contrary in this Base Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the Issuer or, as the case may be, the Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be. The Issuer shall be obliged to pay any additional amounts pursuant to Condition 10 (*Taxation*) subject to customary exceptions including Decree No. 239 withholdings. Neither the Issuer nor the Guarantor shall be obliged to pay any additional amounts to the Covered Bondholders in relation to withholdings or deductions on payments made by the Guarantor.

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 in the Republic of Italy".

2. Risk related to the market generally

Market declines and volatility

The results of the Deutsche Bank S.p.A. Group are affected by general economic, financial and other business conditions. During a recession, there may be less demand for loan products and a greater number of the Deutsche Bank S.p.A. Group's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Deutsche Bank S.p.A. Group's debtors and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

Credit and market risk

The Issuer is subject to market risk, meaning the risk that the value of the financial instruments held in the Issuer's portfolio might fluctuate as the result of variations in market prices. Market risk includes three types of risk:

- interest rate risk: the risk that the value of the financial instruments held in the Issuer's portfolio might change as the result of variations of interest rates on the market.

- price risk: the risk connected to the financial instruments held in the Issuer's portfolio due, for example, to variations in the prices of representative capital instruments, debt securities indexed to stock-like parameters, collective investment instruments, or derivative instruments on stocks or indices based thereon (futures and options).

- currency exchange risk: represents the risk of suffering losses due to adverse variations in foreign currency values on positions held by the Issuer.

The Issuer has adopted a policy that seeks to minimize risk exposure through a limits system. The task of the Issuer's risk management system office is to monitor constantly the market risks relative to credit and financial activity, and to generate the appropriate reports.

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 section entitled "*Subscription and Sale*". If an active or liquid secondary market develops, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield. Illiquidity may have a severely adverse effect on the market value of Covered Bonds. In addition, Covered Bonds issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such Covered Bonds may be adversely affected. In an illiquid market, an investor might not be able to sell its Covered Bonds at any time at fair market prices. The possibility to sell the Covered Bonds might additionally be restricted by country specific reasons.

Market Price Risk

The market prices of the Covered Bonds depend on various factors, such as changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Covered Bonds. The market price of the Covered Bonds may also be negatively affected by an increase in the Issuer's credit spreads, i.e. the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity. The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Covered Bonds.

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 (a) the Investor's Currency-equivalent yield on the Covered Bonds, (b) the Investor's Currency equivalent value of the principal payable on the Covered Bonds and (c) 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.

Interest rate risks

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

3. ***Risks related to the Guarantor and the Covered Bond Guarantee***

Guarantor only obliged to pay guaranteed amounts on the Due for Payment Date

The Guarantor has no obligation to pay the guaranteed amounts payable under the Covered Bond Guarantee until service by the Representative of the Covered Bondholders:

(i) following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor; and

(ii) following the occurrence of a Guarantor Events of Default, and service of an Acceleration Notice on the Guarantor.

A Notice to Pay can only be served if an Issuer Event of Default occurs. An Acceleration Notice can only be served if a Guarantor Event of Default occurs.

Following service of a Notice to Pay on the Guarantor (provided that (a) an Issuer Event of Default has occurred and (b) no Acceleration Notice has been served) under the terms of the Covered Bond Guarantee, the Guarantor will be obliged to pay guaranteed amounts on the Due for Payment Date. Such payments will be subject to and will be made in accordance with the Post-Issuer Event of Default Priority of Payments. In these circumstances, other than the Guaranteed Amounts, the Guarantor will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds.

Pursuant to the Covered Bond Guarantee, following the occurrence of an Issuer Event of Default and service of a Notice to Pay, but prior to the occurrence of any Guarantor Event of Default, the Guarantor shall substitute the Issuer in every and all obligations of the Issuer towards the Covered Bondholders, so that the rights of payment of the Covered Bondholders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the Guarantor on the Due for Payment Date. In consideration of the substitution of the Guarantor in the performance of the payment obligations of the Issuer under the Covered Bonds, the Guarantor (directly or through the Representative of the Covered Bondholders) shall exercise, on an exclusive basis, the right of the Covered Bondholders *vis-à-vis* the Issuer and any amount recovered from the Issuer will be part of the Available Funds.

Furthermore, please note that the above restrictions are provided for by either the MEF Decree or contractual agreements between the parties of the Covered Bond Guarantee, and there is no case-law or other official interpretation on this issue. Therefore, we cannot exclude that a court might uphold a Covered Bondholder's right to act directly against the Issuer.

Extendible obligations under the Covered Bond Guarantee

With respect to the Series of Covered Bonds in respect of which the Extended Maturity Date is specified as applicable in the relevant Final Terms, if the Guarantor is obliged under the Covered Bond Guarantee to pay a guaranteed amount and has insufficient funds available under the relevant priority of payments to pay such amount on the Extension Determination Date, then the obligation of the Guarantor to pay such guaranteed amounts shall automatically be deferred to the relevant Extended Maturity Date. However, to the extent the Guarantor has sufficient moneys available to pay in part the guaranteed amount in respect of the relevant Series of Covered Bonds, the Guarantor shall make such partial payment in accordance with the relevant Priorities of Payments, as described in Condition 8 (*Redemption and Purchase*) on the relevant Maturity Date and any subsequent CB Payment Date falling prior to the relevant Extended Maturity Date. Payment of the unpaid amount shall be deferred automatically until the applicable Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid guaranteed amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 8 (*Redemption and Purchase*), *mutatis mutandis*. In these circumstances, except where the Guarantor has failed to apply money in accordance with the relevant Priorities of Payments in accordance with Condition 8 (*Redemption and Purchase*), failure by the Guarantor to pay the relevant guaranteed amount on the Maturity Date or any subsequent CB Payment Date falling prior to the Extended Maturity Date (or the relevant later date in case of an applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay any guaranteed amount or the balance thereof, as the case may be, on the relevant Extended Maturity Date and/or pay any other amount due under the Covered Bond Guarantee will (subject to any applicable grace period) constitute a Guarantor Event of Default.

No Gross-up for Taxes

Notwithstanding anything to the contrary in this 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 Covered Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Covered Bondholders.

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident Guarantor under the Covered Bond Guarantee. For further details see the section entitled “Taxation in the Republic of Italy”.

Limited resources available to the Guarantor

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

The Guarantor’s ability to meet its obligations under the Covered Bond Guarantee will depend on the realisable value of the Cover Pool, the amount of principal and interest generated by the Cover Pool and the timing thereof, the proceeds of any Eligible Investments and amounts received from the Swap Counterparties and the Account Bank. The Guarantor will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a Guarantor Event of Default occurs, the proceeds of the Cover Pool may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. If the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Asset Coverage Test and the Amortisation Test have been structured to ensure that the outstanding nominal amount of the Cover Pool shall be equal to, or greater than, the nominal amount of the outstanding Covered Bonds taking into account the relevant negative cost of carry. In addition the MEF Decree and the Bank of Italy Regulations provide for certain further mandatory tests aimed at ensuring that (a) the net present value of the Cover Pool (net of certain costs) shall be equal to, or greater than (for the entire duration of the transaction), the net present value of the Covered Bonds; and (b) the amount of interests and other revenues generated by the Cover Pool (net of certain costs) shall be equal to, or greater than, the interests and costs due by the Issuer under the Covered Bonds.

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

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 Servicer has been (and any Successor Servicer may be) appointed to service the portion of Cover Pool respectively assigned by it and the Asset Monitor has been appointed to monitor compliance with the Mandatory Tests. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Cover Pool or any part thereof may be affected, or, pending such realisation (if the Cover Pool or any part thereof cannot be sold), the ability of the Guarantor to make payments under the Covered Bond Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Cover Pool, this may lead to higher incidences of non-payment or default by Debtors. The Guarantor, if a Swap Agreement is executed on or after the Issue Date, may also be reliant on the Swap Counterparties to provide it with the funds matching its obligations under the Covered Bond Guarantee.

If a Servicer Termination Event in respect of the Servicer occurs pursuant to the terms of the Servicing Agreement, then the Guarantor and/or the Representative of the Covered Bondholders will be entitled to terminate the appointment of the Servicer and appoint a Successor Servicer in its place subject to the notification provided for under Article 7-*bis*, paragraph 4 of the Law 130. There can be no assurance that a substitute servicer with sufficient experience of administering the relevant portion of the Cover Pool would be found who would be willing and able to service the relevant portion of the Cover Pool on the terms of the Servicing Agreement. The ability of a Successor Servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a Successor Servicer may affect the realisable value of the relevant portion of the Cover Pool or any part thereof, and/or the ability of the Guarantor to make payments under the Covered Bond Guarantee.

The Representative of the Covered Bondholders is not obliged in any circumstances to act as a Servicer or to monitor the performance by the Servicer of its obligations.

Reliance on Swap Counterparties

To provide a hedge against interest rate risk on the Cover Pool, the Guarantor may enter into the Cover Pool Swap with the Cover Pool Swap Counterparty, on or after the relevant Issue Date. In addition, to provide a hedge against interest rate or currency risks in respect of amounts received under the Cover Pool Swap and certain other amounts to be paid in respect of the Subordinated Loan and Covered Bonds, the Guarantor may enter into one or more Covered Bond Swaps with the Covered Bond Swap Counterparties (on or after the relevant Issue Date).

If the Guarantor fails to make timely payments of amounts due under any Swap Agreement, then it will (unless otherwise stated in the relevant Swap Agreement) have defaulted under that Swap Agreement. A Swap Counterparty 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 Counterparty may be obliged to make payments to the Guarantor pursuant to the Swap Agreement as if payment had been made by the Guarantor. Any amounts not paid by the Guarantor to a Swap Counterparty may in such circumstances incur additional amounts of interest by the Guarantor, which would rank senior to amounts due on the Covered Bonds. If the Swap Counterparty is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Guarantor on the payment date under the Swap Agreements, the Guarantor will be exposed to changes in the relevant currency exchange rates to Euro and to any changes in the relevant rates of interest. In addition, the Guarantor may hedge only part of the potential risk and, in such circumstances, may have insufficient funds to make payments under the Covered Bonds or the Covered Bond Guarantee.

If a Swap Agreement terminates, then the Guarantor may be obliged to make a termination payment to the relevant Swap Counterparty. 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, or if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agency. In addition the swaps may provide that notwithstanding the swap counterparty ceasing to be assigned the requisite ratings and the failure by the swap counterparty to take the remedial action set out in the relevant swap agreement, the Guarantor may not terminate the swap until a replacement swap counterparty has been found. There can be no assurance that the Guarantor will be able to enter into a replacement swap agreement with a replacement swap counterparty with the requisite ratings.

If the Guarantor will be obliged to pay a termination payment under any Swap Agreement, such termination payment may rank *pari passu* with (or under certain circumstances ahead of) certain amounts due on the Covered Bonds and with amounts due under the Covered Bond Guarantee. Accordingly, the obligation to pay a termination payment may adversely affect the ability of the Issuer and the Guarantor to meet their respective obligations under the Covered Bonds or the Covered Bond Guarantee.

4. *Risks relating to the underlying*

Limited description of the Cover Pool

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

(a) the Seller selling further Receivables (or Receivables which are of a type that have not previously been comprised in the Cover Pool to the Guarantor);

(b) the Seller repurchasing certain Receivables in accordance with the Master Transfer Agreement.

However, each claim will be required to meet the Criteria and to conform to the representations and warranties set out in the Warranty and Indemnity Agreement — see "*Description of the Transaction Documents — Warranty and Indemnity Agreement*". In addition, the Mandatory Tests are intended to ensure, *inter alia*, that the ratio of the Guarantor's assets to the Covered Bonds is maintained at a certain minimum level and the Calculation Agent will provide on each Calculation Date a report that will set out, *inter alia*, certain information in relation to the Mandatory Tests.

No due diligence on the Cover Pool

None of the Arranger, the Dealers, the Issuer, the Guarantor or the Representative of the Covered 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 General Criteria and the Specific Criteria and the relevant representations / warranties given by the Seller 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 Seller to indemnify and hold harmless the Guarantor in respect of losses arising from such breach and for the Guarantor to exercise an option right, pursuant to Article 1331 of Italian Civil Code, to retransfer the Receivables in respect of which a breach of the relevant representation or warranty has occurred which were previously assigned to it by the Seller in accordance with the terms and conditions set out in the Warranty and Indemnity Agreement. Such obligations are not guaranteed by nor will be the responsibility of any person other than the Seller and neither the Guarantor nor the Representative of the Covered Bondholders will have recourse to any other person in the event that the Seller, for whatever reason, fails to meet such obligations. However, pursuant to the Cover Pool Administration Agreement the assets which are not Eligible Assets comprised in the Cover Pool are excluded by the calculation of the Test on the Portfolio and in case of breach of the Test due to such exclusion, either the Seller or, failing the Seller to do so, the Issuer are obliged to integrate the Cover Pool.

Maintenance of the Cover Pool

Pursuant to the terms of the Master Transfer Agreement, the Seller has agreed to transfer Subsequent Receivables to the Guarantor and the Guarantor has agreed to purchase Subsequent Receivables in order to ensure that the Cover Pool is in compliance with the Tests. The Initial Receivables purchase price shall be funded through the proceeds of the first advance under the Subordinated Loan Agreement and the Subsequent Receivables purchase price will be funded through (a) any Available Funds available in accordance with the Pre-Issuer Event of Default Principal Priority of Payments in case of a Revolving Assignment; and (b) the proceeds of the Subordinated Loan Agreement in case of an Issuance Assignment and/or an Integration Assignment.

Under the terms of the Cover Pool Administration Agreement, the Seller and the Issuer have undertaken to ensure that on each Calculation Date the Cover Pool is in compliance with the Tests. If on any Calculation Date the Cover Pool is not in compliance with the Tests, then the Guarantor shall to any possible extent use the Available Funds to cure the relevant Test or, to the extent the Available Funds are not sufficient to cure the relevant Test, require the Seller to grant further advances under the Subordinated Loan Agreement for the purposes of funding the purchase of Integration Assets and/or other Eligible Assets, representing an amount sufficient to allow the Tests to be met on the next following Calculation Date. If the Cover Pool is not in compliance with the Tests on the next following Calculation Date, the Representative of the Covered Bondholders will serve a Breach of Test Notice on the Issuer and the Guarantor. The Representative of the Covered Bondholders shall revoke the Breach of Test Notice if on the next following Calculation Date the Tests are subsequently satisfied and without prejudice to the obligation of the Representative of the Covered Bondholders to serve a Breach of Test Notice in the future. If, following the delivery of a Breach of Test Notice, the Tests are not met on, or prior to, the next Calculation Date, the Representative of the Covered Bondholders will serve a Notice to Pay on the Issuer and the Guarantor.

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 Covered Bond Guarantee. However, failure to satisfy the Mandatory Tests and/or the Amortisation Test on any Calculation Date following an Issuer Event of Default will constitute a Guarantor Event of Default, thereby entitling the Representative of the Covered Bondholders to accelerate the Covered Bonds against the Issuer (to the extent not already accelerated against the Issuer) and the Guarantor's obligations under the Covered Bond Guarantee against the Guarantor subject to and in accordance with the Conditions.

Prior to the delivery of Notice to Pay and subject to receipt of the relevant information from the Issuer, the Asset Monitor will perform specific agreed upon procedures set out in an engagement letter entered into with the Issuer on or about the Initial Issue Date concerning, *inter alia*, (a) the fulfilment of the eligibility criteria set out under Decree No. 310 with respect to the Eligible Assets and Integration Assets included in the Cover Pool; (b) the calculations performed by the Calculation Agent in respect of the Mandatory Tests; (c) the compliance with the limits to the transfer of the Eligible Assets set out under Decree No. 310; and (d) the effectiveness and adequacy of the risk protection provided by any Swap Agreement that may be entered into in the context of the Programme. In addition, the Asset Monitor will, pursuant to the terms of the Asset Monitor Agreement, (i) prior to the delivery of Notice to Pay, verify the calculations performed by the Calculation Agent in relation to the Mandatory Tests and the Asset Coverage Test; and (ii) following the delivery of a Notice to Pay, verify the calculations performed by the Calculation Agent in relation to the Amortisation Test. See further "*Description of the Transaction Documents – Asset Monitor Agreement*".

The Representative of the Covered Bondholders shall not be responsible for monitoring compliance with, nor the verification of, the Tests or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

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

If a Notice to Pay is served on the Guarantor, then the Guarantor may be obliged to sell Selected Assets (selected on a random basis) in order to make payments to the Guarantor's creditors including making payments under the Covered Bond Guarantee, see "*Description of the Transaction Documents — Cover Pool Administration Agreement*".

There is no guarantee that a buyer will be found to acquire Selected Assets at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained for such Selected Assets, which may affect payments under the Covered Bond Guarantee. However, the Selected Assets may not be sold by the Guarantor for less than an amount equal to the Required Outstanding Principal Balance Amount for the relevant Series of Covered Bonds until six months prior to the Maturity Date in respect of such Covered Bonds or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date in respect of such Covered Bonds. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, the Guarantor is obliged to sell the Selected Assets for the best price reasonably available notwithstanding that such price may be less than the Required Outstanding Principal Balance Amount.

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

If a Guarantor Events of Default occurs and an Acceleration Notice is served on the Guarantor, then the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor direct the Servicer to sell the Selected Assets respectively assigned by it as quickly as reasonably practicable taking into account the market conditions at that time (see "*Description of the Transaction Documents — Cover Pool Administration Agreement*").

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

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

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

(a) default by borrowers of amounts due on their Receivables;

(b) changes to the lending criteria of the Seller;

(c) set-off risks in relation to some types of Receivables in the Cover Pool;

(d) limited recourse to the Guarantor;

(e) possible regulatory changes by the Bank of Italy, CONSOB and other regulatory authorities;

(f) adverse movement of the interest rate;

(g) unwinding cost related to the hedging structure;

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

(i) the relevant Debtor benefitting of rescheduling or suspension of payments agreements (including moratoriums) in accordance with applicable legislation or agreements entered into by the Italian Banking Association or other trade associations to which the relevant Seller is a party, or granted on a voluntary basis, in order to deal with the COVID-19 outbreak.

Each of these factors is considered in more detail below. However, it should be noted that the Mandatory Tests and the Criteria are intended to ensure that there will be an adequate amount of Receivables in the Cover Pool to enable the Guarantor to repay the Covered Bonds following an Issuer Event of Default, service of a Notice to Pay on the Issuer and on the Guarantor and accordingly it is expected (although there is no assurance) that Selected Assets could be realised for sufficient values to enable the Guarantor to meet its obligations under the Covered Bond Guarantee.

Limits to Integration

Under the Bank of Italy Regulations, the Integration (as defined below), whether through Eligible Assets or through Integration Assets shall be carried out in accordance with the methods, and subject to the limits, set out in the Bank of Italy Regulations (see "*Selected aspects of Italian law – Tests set out in the MEF Decree*").

More specifically, under the Bank of Italy Regulations, Integration is allowed exclusively for the purpose of (a) complying with the tests provided for under the MEF Decree; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the Integration Assets Limit.

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

Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of payments of Excluded Swap Termination Amounts.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the US Bankruptcy Court has held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. However, a subsequent 2016 US Bankruptcy Court decision held that in certain circumstances flip clauses are protected under the US Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the US District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the US Court of Appeals for the Second Circuit. The implications of this conflict remain unresolved.

If a creditor of the Issuer (such as a Swap Counterparty under the Swap Agreement) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the US), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Swap Counterparties' payment rights in respect of payments of Excluded Swap Termination Amounts). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as Swap Counterparty, including US established entities and certain non-US established entities with assets or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Issuer to satisfy its obligations under the Covered Bonds.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of payments of Excluded Swap Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating which may be assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

Value of the Cover Pool

The Covered Bond 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 Seller make 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 Covered Bondholders if such security is required to be enforced.

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

After the service of a Breach of Test Notice or of Notice to Pay on the Guarantor, but prior to service of an Acceleration Notice, the Guarantor may, and following a Notice to Pay shall, sell the Selected Assets and their related security interests included in the Cover Pool, subject to a right of pre-emption granted to the Seller pursuant to the terms of the Master Transfer Agreement and of the Cover Pool Administration Agreement. In respect of any sale of Selected Assets and their related security interests to third parties, however, the Guarantor will not provide any warranties or indemnities in respect of such Selected Assets and related security interests and there is no assurance that the Seller would give or repeat any warranties or representations in respect of the Selected Assets and related security interests originally transferred by it or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the Seller in respect of the Mortgage Loans assigned by it in the Cover Pool may not have value for a third party purchaser if the Seller is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Assets and related security interests could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Guarantor to meet its obligations under the Covered Bond Guarantee.

Clawback of the sales of the Receivables

Assignments executed under Law 130 are subject to revocation on bankruptcy under article 67 of Royal Decree no. 267 of 16 March 1942 (the "**Bankruptcy Law**") or the corresponding article of Legislative Decree n. 14 dated 12 January 2019, from the date of its entry into force (the "**New Insolvency Code**"), but only in the event that the declaration of bankruptcy of the Seller is made within three months of the covered bonds transaction (or of the purchase of the Receivables) or, in cases where paragraph 1 of article 67 applies (e.g. if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the covered bonds transaction (or of the purchase of the Receivables). In this respect the Seller, in addition to the representation and warranties given pursuant to the Transaction Documents to which is a party, on or about the date of each assignment has undertaken to provide solvency certificates confirming that no insolvency procedures are pending against it.

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 Receivables are affected by credit, liquidity and interest rate risks. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors may lead to an increase in default by the borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage 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 claims will be subject to the effectiveness of enforcement proceedings in respect of the Receivables 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.

Italian Law No. 302 of 3 August 1998, Italian law No. 80 of 14 May 2005, Italian law No. 263 of 28 December 2005 and the Italian Civil Procedure Code permit notaries, chartered accountants or lawyers duly registered with the relevant register kept and updated from time to time by the president of the relevant court (Presidente del Tribunale), 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.

The Issuer's ability to meet its obligations under the Covered Bonds: general risks relating to the property

The Mortgage Loans will be secured by, among other things, the mortgage over the property. The repayment of the Mortgage Loan in part may be, and the payment of interest on the Mortgage Loan is, dependent on the ability of the property to produce cash flow. However, the income-producing capacity of the property may be adversely affected by a large number of factors. Some of these factors relate specifically to the property itself, such as: (i) the age, design and construction quality of the property; (ii) perceptions regarding the safety, convenience and attractiveness of the property; (iii) the proximity and attractiveness of competing properties; (iv) the adequacy of the property's management and maintenance; (v) an increase in the capital expenditure needed to maintain the property or make improvements; (vi) a decline in the financial condition of a major tenant and the creditworthiness generally of tenants; (vii) a decline in rental rates as leases are renewed or entered into with new tenants; and (viii) the length of tenant leases.

Other factors are more general in nature, such as: (i) national, regional or local economic conditions (including plant closures, industry slowdowns and unemployment rates); (ii) local property conditions from time to time (such as an oversupply or undersupply of warehouse, retail or office space); (iii) demographic factors; (iv) consumer confidence; (v) consumer tastes and preferences; (vi) retrospective changes in building codes or other regulatory changes; (vii) changes in governmental regulations, fiscal policy, planning/zoning or tax laws; (viii) potential environmental legislation or liabilities or other legal liabilities; (ix) the availability of refinancing; and (x) changes in interest rate levels. In particular, a decline in the property market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of properties with short term revenue sources and may lead to higher rates of delinquency or defaults.

Any one or more of the above described factors or others not specifically mentioned above could operate to have an adverse effect on the income derived from, or able to be generated by, the property, which could in turn cause the Debtor to default on the Mortgage Loan, reduce the chances of the Debtor being able to refinance the Mortgage Loan or reduce the Debtor's ability to sell the property at a required price or at all.

Insurance coverage

All Mortgage Loans provide that the relevant real estate assets must be covered by an insurance policy issued by leading insurance companies approved by the Seller. There can be no assurance that all risks that could affect the value of the real estate assets are or will be covered by an insurance policy or that, if such risks are covered, the insured losses will be covered in full. Any loss incurred in relation to the real estate assets which is not covered (or which is not covered in full) by an insurance policy could adversely affect the value of the real estate assets and the ability of the relevant Debtor to repay the relevant Mortgage Loan.

Changes to the lending criteria of the Seller

Each of the Mortgage Loans originated by the 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 Seller, but originated by a person other than the Seller (an **Originator**), will have been originated in accordance with the lending criteria of such Originator at the time of origination. It is expected that the Seller's or the relevant Originator's, as the case may be, lending criteria will generally consider term of loan, indemnity guarantee policies, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Loans to the Guarantor, the Seller will warrant that (a) such Mortgage Loans as were originated by it were originated in accordance with the Seller's lending criteria applicable at the time of origination and (b) such Mortgage Loans as were originated by an Originator, were originated in accordance with the relevant Originator's lending criteria applicable at the time of origination. The Seller retains the right to revise its lending criteria from time to time subject to the terms of the Master Transfer Agreement. An Originator may additionally revise its lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage 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 Covered Bond Guarantee. However, Defaulted Assets in the Cover Pool will be given a zero weighting for the purposes of the calculation of the Mandatory Tests.

Legal risks relating to the Mortgage Loans

The ability of the Guarantor to recover payments of interest and principal from the Mortgage Loans is subject to a number of legal risks. They include the risks set out below.

Set-off risks

The assignment of receivables under Law 130 is governed by article 58, paragraph 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant Debtors as of the later of (a) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (b) the date of registration of the notice of assignment in the local Companies' Register. Consequently, the rights of the Guarantor may be subject to the direct rights of the borrowers against the Seller or, as applicable the relevant Originator, including rights of set off on claims arising existing prior to notification in the Official Gazette and registration at the Companies' Register. Some of the Mortgage Loans in the Cover Pool may have increased risks of set-off, because the Seller or, as applicable, the relevant Originator is required to make payments under them to the borrowers. In addition, the exercise of set-off rights by borrowers may adversely affect any sale proceeds of the Cover Pool and, ultimately, the ability of the Guarantor to make payments under the Covered Bond Guarantee.

Usury Law

Italian Law number 108 of 7 March 1996 as amended, supplemented and interpreted from time to time, by applicable laws (including, without limitation, the Law No. 24 of 28 February 2001 and the Law Decree No. 70 of 30 May 2011) (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (a) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (b) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgments issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

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

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

Usury Rate at any point in time thereafter. However, it is worth mentioning that, by more recent decisions, the Italian Supreme Court has clearly stated that, in order to establish if the interest rate exceeds the Usury Rate, it has to be considered the interest rate agreed between the parties at the time of the signing of the financing agreement, regardless of the time of the payment of such interest (see, for instance, Cassazione 19 October 2017, No 24675). In addition, several court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the statutory Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable statutory Usury Rates against which the former must be compared.

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

Compound interest

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds *that* such practice could be characterised as a customary practice. However, a number of recent judgments from Italian courts (including judgments from the Italian Supreme Court (*Corte di Cassazione*) have held that such practices may not be defined as customary practices. Consequently if borrowers 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.

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 no. 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. In addition, on 10 September 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 Consolidated Banking Act, has been published on the Official Gazette No. 212 of 10 September 2016.Consumer Credit Directive

In September 2002, the European Commission published a proposal for a directive of the European Parliament and of the Council on the harmonisation of the laws, regulations and administrative provisions of the Member States concerning credit for consumers and surety agreements entered into by consumers.

There was significant opposition from the European Parliament to the original form of the proposed directive, and to an amended form of the proposed directive published in October 2004. In October 2005, the European Commission published a second revised proposal for the directive.

On 23 April 2008, the directive 2008/48/CE (the "**Consumer Credit Directive**") has been adopted by the European Parliament and Council. The directive entered into force after 20 days from its publication in the Official journal of the European Union. Thereafter, Member States had two years (2010) in which to implement its provisions.

The new legislation covers consumer loans between €200 and €75,000 which are not required to be repaid within a month. It only covers credit contracts, not guarantors and other aspects of credit agreement law. The directive applies only to loan contracts on which interest is paid, and not products such as deferred payment cards (charge cards) and does not cover the granting of credit secured on land or made to finance the acquisition or retention of property rights.

The main points of the new directive are: the standardisation of information to be provided in advertising, the requirement for pre-contractual and contractual information, consumer cancellation rights, the right to early repayment and rules for the calculation of compensation and requirement to specify the annual percentage rate of charge.

The Consumer Credit Directive has been implemented in Italy by means of Italian Legislative Decree No. 141 of 13 August 2010, as subsequently amended and implemented, which amended the relevant provisions of the Consolidated Banking Act.

It is not certain what effect the adoption and implementation of the directive would have on the Issuer and its businesses and operations.

Mortgage borrower protection

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

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

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

Mortgage Credit Directive

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

- standard information in advertising, and standard pre-contractual information;
- adequate explanations to the borrower on the proposed credit agreement and any ancillary service;
- calculation of the annual percentage rate of charge in accordance with a prescribed formula;
- assessment of creditworthiness of the borrower;
- a right of the borrower to make early repayment of the credit agreement; and
- prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014 and is required to be implemented in Member States by 21 March 2016.

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

In Italy, the Government has approved the Legislative Decree no. 72 of 21 April 2016, implementing the Mortgage Credit Directive and published on the Official Gazette of the Republic of Italy on 20 May 2016 (the "**Mortgage Legislative Decree**").

The Mortgage Legislative Decree clarifies that the new legal framework shall apply, inter alia, to (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property rights on a residential immovable.

Moreover such decree sets forth certain rules of correctness, diligence and transparency and information undertakings applicable to the lenders and intermediaries which offer loans to the consumers and provides that without prejudice to article 2744 of Italian civil code, the parties may expressly agree in a specific clause at the closing of a loan agreements that in case of breach of the borrower's payment obligations under the agreement (i.e. non- payment of an amount equal to eighteen loan instalments due and payable by the debtor) the transfer or the sale of the mortgaged assets has as a consequence that the entire debt is settled even if the value of the assets or the proceeds deriving from the sale of the assets is lower than the remaining amount due by the debtor in relation to the loan. Otherwise if the estimated value of the assets or the proceeds deriving from the sale of the assets is higher than the remaining amount due by the debtor, the excess amount shall be returned to the consumer.

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

On 29 September 2016, the Ministry of Economy and Finance – Chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*) issued decree no. 380 (the "**Decree 380**") which implemented Chapter 1-bis of Title VI of the Consolidated Banking Act, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016, the Bank of Italy has amended the supervisory regulations on transparency and correctness in the relationships between intermediaries and clients (*disposizioni di vigilanza in materia di trasparenza delle operazioni e dei servizi bancari e finanziari; correttezza delle relazioni tra intermediari e clienti*) of 29 July 2009, as subsequently amended, in order to implement the transparency provisions of laid down by the Mortgage Credit Directive and by the Mortgage Credit Legislative Decree.

Given the novelty of this new legislation and the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Base Prospectus.

No assurance can be given that the implementation of the Mortgage Legislative Decree will not adversely affect the ability of the Guarantor to make payments under the Covered Bond Guarantee.

The Issuer believes that the risks described above are the main risks inherent in the holding of Covered Bonds of any Series issued under the Programme but the inability of the Issuer to pay interest or repay principal on the Covered Bonds of any Series may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding Covered Bonds are exhaustive. While the various structural elements described in this Base Prospectus are intended to lessen some of the risks for holders of Covered Bonds of any Series, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of Covered Bonds of any Series of interest or principal on such Covered Bonds on a timely basis or at all.

DESCRIPTION OF THE ISSUER

The information contained in this section of this Prospectus relates to and has been obtained from DB S.p.A. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of DB S.p.A. since the date hereof, or that the information contained or referred to in this section of this Prospectus is correct as of any time subsequent to its date.

History and Evolution of the Issuer

Legal Name

The Issuer's legal name is "Deutsche Bank Società per Azioni".

Place and Number of the Issuer's Registration

The Issuer is enrolled in the Milan Company Registry under No. 01340740156.

DB S.p.A. is enrolled in the Bank Register kept by the Bank of Italy under No. 30.7.0, and is the parent company of the Deutsche Bank S.p.A. Group which is enrolled in the Banking Group Register under No. 3104.7.

Date of the Issuer's Establishment and Duration

The Issuer was established by notarial deed on November 14, 1917. As of October 1, 1994, the Issuer assumed the legal name of "Deutsche Bank Società per Azioni".

The Issuer's duration is set until December 31, 2100, which may be extended by Shareholders' resolution.

Legal Entity Identifier

The legal entity identifier (LEI) of the Issuer is 529900SS7ZWCX82U3W60.

Issuer's History and Development

Deutsche Bank began operating in Italy in 1977 when it opened a branch office in Milan.

In 1986 Deutsche Bank AG acquired "*Banca d'America e d'Italia*" from Bank of America.

In 1994, eight years after Deutsche Bank AG's acquisition, "*Banca d'America e d'Italia*" changed its name to "Deutsche Bank S.p.A." and, in that same year, it also acquired "*Banca Popolare di Lecco*" which was subsequently merged into DB S.p.A.

In 1995 the Deutsche Bank S.p.A. Group acquired a minority shareholding in Finanza & Futuro S.p.A., an asset management holding company (mutual funds, life insurance, and capital management).

Between 1996 and 1999, the Deutsche Bank S.p.A. Group made various acquisitions on the Italian market.

Deutsche Asset Management SGR S.p.A. was established in 2000.

The acquisition of Zurich Financial Services' asset management business in Italy was completed in May 2002. At the same time, Deutsche Bank sold DB Vita S.p.A., an insurance company that was part of the Deutsche Bank S.p.A. Group, to the Zurich group.

DWS Investments Italy SGR S.p.A. was formed in September 2002. DWS Alternative Investments SGR S.p.A. was established in 2003. New Prestitempo S.p.A. was established in 2005.

In this same year, the Issuer transferred Deutsche Bank SIM S.p.A. and Deutsche Bank Capital Markets S.p.A. (a corporate finance advisory firm) to Deutsche Bank AG, Milan branch, as part of a broad reorganization of the Corporate & Investment Banking business.

On 30 July 2007 DWS Investments Italy SGR S.p.A., a company wholly owned by Deutsche Asset Management Italy S.p.A., sold to Anima S.G.R. p.A. its own business branch consisting in 34 mutual funds, various employee relationships, distribution agreements for the funds, as well as other legal asset and liability relationships concerning this branch.

In June 2008, the insurance company DWS Vita S.p.A, wholly owned by Deutsche Asset Management Italy S.p.A., was sold to the Zurich Group.

On 1 October 2008, DWS Investments Italy SGR S.p.A. was merged into DWS Alternative Investments SGR S.p.A.; at the same time, the latter company changed its business name to DWS Investments SGR S.p.A.

On 1 January 2009, RREEF Alternative Investments SGR S.p.A. was partially spun off to RREEF Fondimmobiliari SGR S.p.A. As of this date, RREEF Fondimmobiliari SGR S.p.A. manages real estate funds of a speculative nature in addition to traditional real estate funds.

On 16 February 2009, DB Consorzio S.c.a r.l. was established in order to provide organizational, technical, IT, and administrative services to the DB Group companies. On April 1, 2009, it acquired the entire company from the preexisting DB Consortium S.c.a r.l., currently in liquidation.

On 24 September 2009, DWS Investments SGR S.p.A. sold all its legal relationships regarding the speculative mutual funds it managed to Hedge Investment SGR p.A. through an agreement on the block sale of legal relationships pursuant to Art. 58 of the Consolidated Banking Act, which is subject to certain suspensive conditions.

On 16 November 2009, DB S.p.A. transferred its entire stake in RREEF Opportunities Management S.r.l. to Deutsche Bank AG, Milan Branch. This was the first step of a wider DB Group restructuring initiative aimed at reducing the number of entities operating in the asset management sector for the sake of optimizing/simplifying the DB Group's participatory chain and benefitting from greater management efficiency and a reduction in costs.

On 18 February 2010, Deutsche Asset Management Italy S.p.A. sold its entire stake in DWS SIM S.p.A. to Deutsche Bank AG, Milan Branch.

On 15 July 2010, RREEF Alternative Investments SGR S.p.A. (wholly owned by DB S.p.A.) was merged into RREEF Fondimmobiliari SGR S.p.A. (also wholly owned by DB S.p.A.).

On 6 October 2010, DB S.p.A. transferred 100% of the participation in RREEF Fondimmobiliari SGR S.p.A.'s capital stock to Deutsche Bank AG, Milan branch.

On 4 November 2010, DB S.p.A. acquired a 62.49% stake in Deutsche Asset Management Italy S.p.A. from DWS Holding & Service GmbH, in order to reach a 99.99% participation in the latter company. The acquisition was financed through a capital increase offered as option to shareholders, resolved by the Supervisory Board on 30 April 2010 and subsequently approved by the Shareholders' Meeting on 8 September 2010.

On 30 November 2010, Deutsche Asset Management Italy S.p.A. and DWS Investments Italy SGR S.p.A. (a company wholly owned by Deutsche Asset Management Italy S.p.A.) were merged into DB S.p.A. As a result of this merger, Finanza & Futuro Banca S.p.A. (previously wholly owned by Deutsche Asset Management Italy S.p.A.) came under the DB S.p.A.'s direct control.

On 1 July 2011, the branch of business of DWS SIM S.p.A. was transferred to Deutsche Bank AG, Milan branch and, effective 1 December 2011, DWS SIM S.p.A. was subsequently merged into DB Servizi Amministrativi S.r.l.

Effective as from 1 August 2011, RREEF Agency S.r.l. was merged into RREEF Opportunities Management S.r.l.

On 13 June 2012, DB S.p.A. acquired a 90% stake in DB Covered Bond S.r.l. a special purpose vehicle aimed at guaranteeing the Covered Bonds issued by DB S.p.A.

Effective as from 28 June 2013, New Prestitempo S.p.A. was merged into DB S.p.A.

On 5 July 2013, Vesta Real Estate S.r.l. was established. Such company was fully owned by DB S.p.A. in order to bid in auctions where Deutsche Bank Mutui S.p.A. collateral properties are sold with the purpose of fostering third party acquisitions of selected properties. In case of no (or too low) bids from third parties Vesta Real Estate S.r.l. can purchase selected and worthy properties to be resold as soon as possible at market price.

Upon cancellation from the Asset Management Companies Record - effective as from 1 December 2013 - RREEF Fondimmobiliari SGR S.p.A. was merged into DB Servizi Amministrativi S.r.l.

On 17 December 2013, RREEF Opportunities Management S.r.l. was merged into DB Servizi Amministrativi S.r.l.

On 8 March 2014, DB Capital Markets S.r.l. was merged into DB Servizi Amministrativi S.r.l.

On 2 October 2017, DB S.p.A. transferred its entire stake (100%) in Deutsche Bank Mutui S.p.A. to Deutsche Bank AG, Milan Branch. The transfer of Deutsche Bank Mutui S.p.A. was aimed at separating such run-off company from the other core activities of DB S.p.A. and the other companies of the DB Group.

As part of a review of the strategic plan and in line with the objectives of rationalizing, simplifying and streamlining the structure of companies pursued at the international group level DB S.p.A. decided to consolidate with itself those corporate entities belonging to the DB Group for which there were no legal, regulatory, business or operational reasons that justify their "stand alone" existence. In relation thereto, effective as from 1 July 2018, Finanza & Futuro Banca S.p.A. was merged into DB S.p.A.

Further, effective November 1, 2018 DB S.p.A. purchased the DB Consorzio S.c. a r.l. going concern, with the exception of the active and passive relationships related to the Warsaw

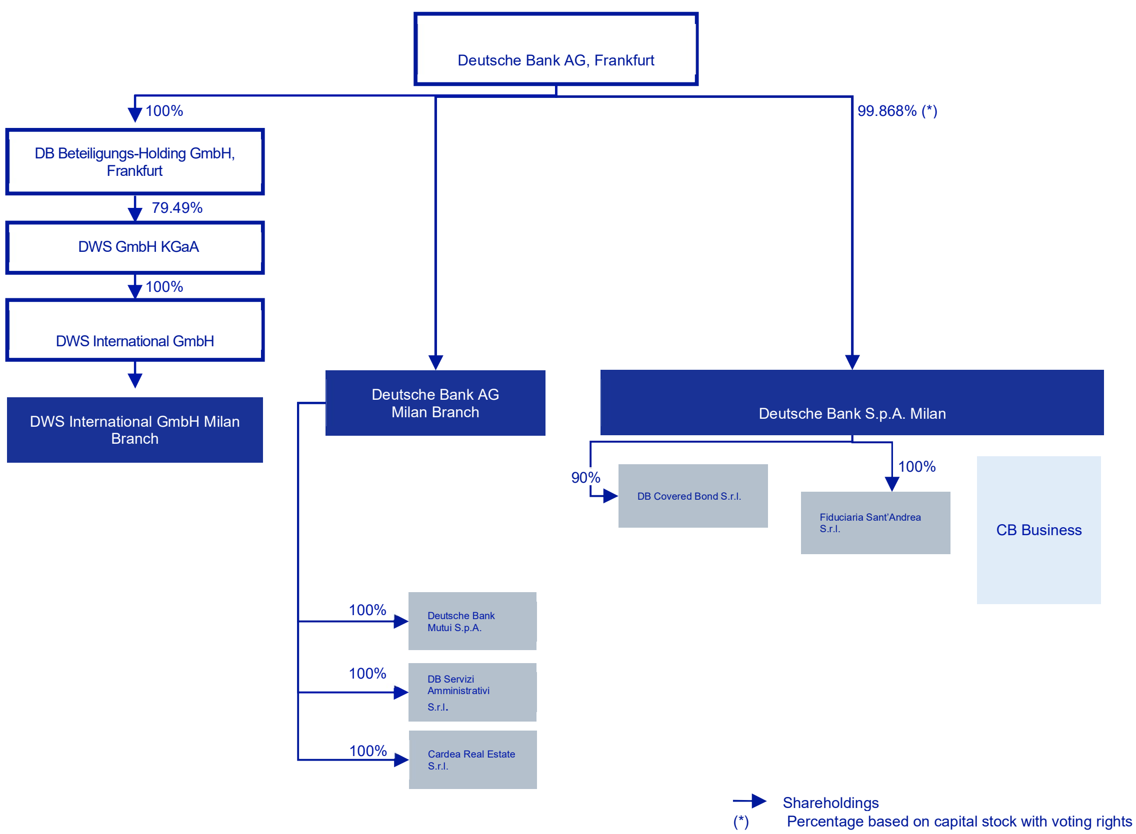
Branch. Effective January 1, 2019 DB Consorzio S.c. a r.l. was merged into DB Servizi Amministrativi S.r.l., which thus acquired the Warsaw Branch.

On 30 July 2020, Cardea Real Estate S.r.l. was established. Such company is fully owned by Deutsche Bank AG via its Milan Branch and carries out the same activity of Vesta Real Estate S.r.l.

On 18 November 2021, Vesta Real Estate S.r.l. was sold to BG Re S.r.l.

Thus, as of the date of this Base Prospectus, the Deutsche Bank S.p.A. Group's composition is indicated as set out in *Figure 1*, and for the sake of greater clarity, also indicates the composition of the group underneath Deutsche Bank AG, Milan Branch.

Figure 1



Issuer's Domicile and Legal Form under which it Operates, Country of Establishment, Address, and Phone Number of the Registered Office

The Issuer is a regulated joint stock corporation operating under Italian law.

The Issuer's registered office and headquarters are located at Piazza del Calendario No. 3, 20126 Milan, Italy.

The Issuer's phone number is +39 0240241.

Recent Events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency

Figure 2 shows events in years 2013-2020 that are substantially relevant to evaluating DB S.p.A.'s solvency.

Figure 2

2013	**retained earnings**	**€ 5 million**	100% net income 2012
2014	**retained earnings**	**€ 16 million**	100% net income 2013
2015	**retained earnings**	**€ 36 million**	around 60% net income 2014
2015	**Additional tier 1 (AT1)**	**€ 145 million**	
2016	**retained earnings**	**€ 35 million**	around 50% net income 2015
2017	**retained earnings**	**€ 1 million**	around 8% net income 2016
2018	**Additional paid-in**	**€ 400 million**	loss for the year -218 mn € \ FTA IFRS9 -197 mn €
2019	**Additional paid-in**	**€ 250 million**	loss for the year -82 mn €
2020	**Additional paid-in**	**€ 150 million**	loss for the year -18 mn €
2021	**Additional paid-in**	**€ 200 million**	net income for the year 36 mn €

Recent measures in connection with the Russia – Ukraina conflict

Starting from the end of February 2022 there are two working group in place, one global and one local to verify and monitor the actions taken by the Bank as a consequence of Ukraine/ Russia war. Sanctions in place include:

1. Sanctions to in scope (i.e. Russian) oligarchs and/or identified political-economical-related ecosystem individuals/legal persons: DB S.p.A.is fully compliant with the various lists provided/fed centrally and able to detect them via automated systems along onboarding / transaction phases (i.e. HotScan & Name List Screening).

2. Sanctions to all other in scope individuals/legal persons: 49 Russian individuals prudentially blocked (progressive unblock as long as up to date documentation is recovered) and 0 Russian-based Legal Entities identified; 1 Belarussian individual prudentially blocked (progressive unblock as long as up to date documentation is recovered) and 2 Belarus Legal Entities with no active products blocked.

3. Removal of targeted Russian / Belarussian Banks and any entity in which they own more than 50% from SWIFT payment system: these implementations are done within DBAG systems by DBAG which are leveraged by DB S.p.A.

4. Actions on RUB & Russian-Related transactions (Cash, FX and Securities): in line with Group directives, the Bank has implemented a precautionary block of 12 accounts in RUB, of which 10 IPB EU individuals and 2 CB EU legal entities.

5. Credit Risk Impacts: as an outcome of a preliminary assessment by Credit Risk Management, no Loan Loss Provisions expected.

6. Communication: for CB clients with multinational footprint, a dedicated desk has been engaged centrally while for others, including all IPB's, information is distributed within the whole coverage workforce.

BUSINESS OVERVIEW

Main Activities

Brief description of the main activities of the Issuer and the Deutsche Bank S.p.A. Group which it heads, with an indication of the main categories of products sold and services performed

Deutsche Bank is a joint stock corporation authorized to exercise banking activities and enrolled in the banking registry kept by the Bank of Italy under No. 30.7.0, and it is the parent company of the Deutsche Bank S.p.A. Group, which is enrolled in the Banking Group Registry under No. 3104.7.

As parent company of the Deutsche Bank S.p.A. Group, pursuant to Art. 61 of Legislative Decree No. 385 of September 1, 1993 ("**Consolidated Banking Act**"), and in the exercise of its management and coordination work, the Issuer issues orders to companies belonging to the Banking group in order to implement instructions issued by the Bank of Italy in the interest of the group's stability.

Consistently with the Deutsche Bank S.p.A. Group's organizational and strategic choices, Deutsche Bank's business is divided into two macro-divisions:

- International Private Bank ("IPB")
- Corporate Bank ("CB")

At the organizational level, the macro-divisions consist of divisions within the Bank and companies belonging to the Deutsche Bank S.p.A. Group.

The International Private Banking

At the organizational level, the IPB division is in turn subdivided into:

- Private & Business Banking;
- DB Financial Advisors;
- Consumer House and Branch Network

The Private & Business Banking handles the distribution of products and services for the investment, financing, collection and payment needs of retail private clients and small to midsized companies.

It also includes offering investment services to higher end private clients and selected institutions together with fiduciary services through Fiduciaria Sant'Andrea S.r.l., the Deutsche Bank S.p.A. Group's traditional trust company.

DB Financial Advisors handles the distribution of Investment & Insurance Products focusing on affluent and private clients through a network of more than 1.300 Financial Advisors.

Consumer House and Branch Network handle the distribution of consumer lending products such as personal, cars, consumer and salary backed loans and traditional banking products, such as accounts, payments, mortgages and standard investment advisory.

The Corporate Bank

The Corporate Bank is a market leader in risk management for FX and Rates, cash management, lending, trade finance, trust and agency services as well as securities services. The Corporate Bank focuses on the treasurers and finance departments of corporate and commercial clients and financial institutions across the globe.

Risk Management

Enables corporate and commercial clients to leverage the full range of leading FX and Rates risk management.

Cash Management

Delivers a wide range of payment and cash management related products to corporates and non-bank financial institutions such as Bulk payments and Receivables, Single Payment, Cheque, Account and Liquidity Management. Offers a wide range of payment and cash management related products to financial institutions and Deutsche Bank affiliates such as Clearing Services, Foreign Cash Service.

Trade Finance & Lending

Covers the full range of corporate lending solutions and provides solutions related to imports, exports or domestic trade transactions that include document handling, financing and risk mitigation such as:

- Bilateral and syndicated loans

- Unfunded Trade Solutions

- Funded Trade Solutions

- Structured Trade Solutions

Trust & Agency Services

Delivers a wide range of Agency and Fiduciary services to Capital Markets instruments including Corporate Debt, Structured Finance, Project Financing, Syndicated Loans, Escrow and Document Custody. Provides also a full range of Depositary Bank services to global issuers, investors and brokers.

Securities Services

Provides custody, and funds Services such as Clearing, Custody and Fund Services

Issuer and Deutsche Bank S.p.A. Group Business

The Issuer and other group companies offer a broad range of commercial, investment, and insurance services to retail, corporate, and institutional clients.

At the end of the fiscal year closed December 31, 2021, the group total assets increased at the consolidated level compared to year 2020, with an amount of EUR 30.513 million; group asset are mainly attributable to the Issuer (96.5%).

The results achieved by the Group during the year 2021 must be read in the light of the effects produced by the economic and social crisis due to the Covid-19 pandemic, in this sense the improvement in the economic result for the period takes on greater significance.

In terms of assets, variances are reported in the following consolidated balance sheet scheme comparing figures as of December 31, 2021 versus December 31, 2020:

Consolidated balance sheet as at December 31, 2021					
Assets, figures in euro/th				**Variations**	
		31/12/2021	**31/12/2020**	Absolute	**%**
10.	Cash and cash equivalents	3.376.043	2.678.351	697.692	26,05
20.	Financial assets measured at fair value through profit and loss	192.166	240.886	(48.720)	(20,23)
	a) financial assets held for trading	53.933	103.137	(49.204)	(47,71)
	c) other financial assets mandatory at fair value through profit and loss	138.233	137.749	484	0,35
40.	Financial assets measured at ammortized cost	25.507.972	22.214.736	3.293.236	14,82
	a) due from banks	5.181.588	2.710.019	2.471.569	91,20
	b) loans to customers	20.326.384	19.504.717	821.667	4,21
50.	Hedging derivatives	15.515	19.897	(4.382)	(22,02)
70.	Equity Investments	9.221	3.931	5.290	134,57
90.	Property and equipment	256.815	273.372	(16.557)	(6,06)
100.	Intangible assets	39.122	47.347	(8.225)	(17,37)
	of which:				
	- goodwill	-	-	-	-
110.	Tax assets	359.981	352.240	7.741	2,20
	(a) current	99.872	91.775	8.097	8,82
	(b) deferred	260.109	260.465	(356)	(0,14)
120.	Non-current assets held for sale and discontinued operations	-	5.017	(5.017)	(100,00)
130.	Other assets	756.064	610.367	145.697	23,87
	Total assets	**30.512.899**	**26.446.144**	**4.066.755**	**15,38**

In terms of liabilities, variances are reported in the following consolidated balance sheet scheme comparing figures as of December 31, 2021 versus December 31, 2020:

Consolidated balance sheet as at December 31, 2021					
Liabilities and Shareholders' Equity, figures in euro/th				**Variations**	
		31/12/2021	**31/12/2020**	Absolute	**%**
10.	Financial liabilities measured at ammortized cost	27.602.321	23.747.729	3.854.592	16,23
	a) due to banks	10.312.071	8.302.969	2.009.102	24,20
	b) due to customers	17.287.516	15.439.477	1.848.039	11,97
	c) securities issued	2.734	5.283	(2.549)	(48,25)
20.	Financial liabilities held for trading	67.089	121.481	(54.392)	(44,77)
40.	Hedging derivatives	5.647	7.696	(2.049)	(26,62)
60.	Tax liabilities	1.598	53	1.545	n.s.
	(a) current	35	-	35	n.s.
	(b) deferred	1.563	53	1.510	n.s.
70.	Liabilities associated with non-current assets held for sale and discontinued operations	-	5	(5)	(100,00)
80.	Other liabilities	537.376	499.275	38.101	7,63
90.	Employee termination indemnities	13.942	18.301	(4.359)	(23,82)
100.	Allowances for risks and charges:	182.633	173.590	9.043	5,21
	a) commitments and guarantees given	41.504	38.473	3.031	7,88
	b) post-employment benefits	13.341	12.026	1.315	10,93
	c) other allowances for risks and charges	127.788	123.091	4.697	3,82

120.	Valuation reserves	(32)	(761)	729	(95,80)
140.	Equity instruments	145.000	145.000	-	-
150.	Reserves	1.180.433	1.011.543	168.890	16,70
160.	Additional paid-in capital	331.959	331.959	-	-
170.	Common shares	412.154	412.154	-	-
180.	Common shares in Treasury (-)	(3.516)	(3.516)	-	-
190.	Minority interests (+/-)	11	1	10	n.s.
200.	Net income (loss) (+/-)	36.284	(18.366)	54.650	(297,56)
	Total liabilities and shareholders' equity	**30.512.899**	**26.446.144**	**4.066.755**	**15,38**

The Issuer's Main Products and Services

The International Private Banking

The main products that the Issuer and other Deutsche Bank S.p.A. Group companies offer to private and business clients (small to midsized companies, freelance professionals) include:

- Current accounts;
- Credit cards;
- Personal loans;
- Home loans;
- Insurance and retirement products;
- Financial products and investment services.

The Corporate Bank

The main products in the Corporate Banking division offered by the Issuer and other Deutsche Bank S.p.A. Group companies can be categorized as follows:

- corporate finance: the Issuer provides strategic and financial consulting;
- foreign exchange: Deutsche Bank offers services for transacting in currency markets;
- transaction banking: the Issuer offers a series of services that are targeted at companies, government entities, and financial institutions;
- debt capital market: the Issuer offers services for transacting in capital markets;
- hedging instruments: the Issuer offers a wide range of products in order to satisfy clients' needs and ensure, for example, hedging against interest rate or currency exchange rate risks.

ORGANIZATIONAL STRUCTURE

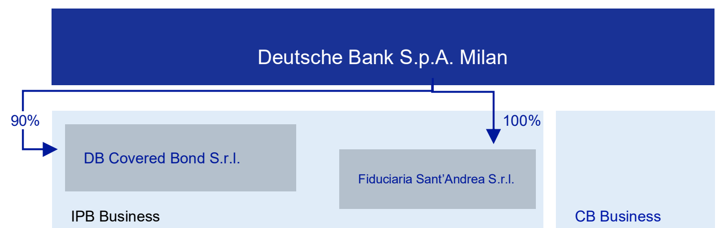
Description of Deutsche Bank S.p.A. Group

The Issuer is the parent company of the Deutsche Bank S.p.A. Group, and it engages in management and coordination of the companies that it controls pursuant to Article 61, paragraph 4 of the Consolidated Banking Act and Articles 2497 *et seq.* of the Italian civil code. DB S.p.A.'s subsidiaries belonging to the Deutsche Bank S.p.A. Italian Banking Group are Fiduciaria Sant'Andrea S.r.l. and DB Covered Bond S.r.l..

Please refer to the following graphic representation of the Deutsche Bank S.p.A. Group as of the date of the Base Prospectus.

Deutsche Bank S.p.A. Group Structure

Figure 3



Issuer's Dependence on Other Companies

The Issuer is controlled by Deutsche Bank AG, through a 95.64% direct equity stake and a 99.87% participation in the capital stock with voting rights. Please refer to paragraph Principal Shareholders below for more information on the DB S.p.A.'s majority shareholder.

The Issuer guarantees that there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statement.

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Information on the Administrative, Management, and Supervisory Bodies

Supervisory Board

DB S.p.A.'s April 29, 2008 Shareholders' meeting approved the adoption of the two-tier model, which is characterized by the presence of a supervisory board and a management board.

The current supervisory board members are listed below.

Member	Office held within the Issuer
Werner Steinmueller	Chairman
Giovanni Maria Garegnani	Vice Chairman

Roberto Cera	Board Member
Bevan Cowie	Board Member
Jasmine Ray Mathews	Board Member
Antonio Rodriguez Pina	Board Member
Alessandro Solidoro	Board Member
Lars Stoy	Board Member
Sandra Wirfs	Board Member

The supervisory board members are all domiciled for the purposes of their engagement at the Issuer's registered office.

The main offices held by supervisory board members in companies other than the Issuer and those belonging to the Deutsche Bank S.p.A. Group are listed below.

Member	Company	Office
Werner Steinmueller	-	
Giovanni Maria Garegnani	SOL S.p.A.	Board of Auditors Chairman
	Gruppo Lactalis Italia S.p.A.	Control Organism Chairman
	Falck Renewables S.p.A.	Control Organism Chairman
	Giuffrè Editore S.p.A.	Control Organism Chairman
	Centro Diagnostico Italiano S.p.A.	Control Organism Chairman
	Bracco S.p.A.	Control Organism Chairman
	Bracco Imaging S.p.A.	Control Organism Member
	SEA S.p.A.	Control Organism Chairman
	Montenisia S.p.A.	Control Organism Chairman
	Fibercop S.p.A.	Chairman of the Board of Auditors
Roberto Cera	Adler Group S.p.A.	Board of Directors Member

Member	Company	Office
Bevan Cowie	-	
Jasmine Ray Mathews	Deutsche CIB Private Limited	Board of Directors Member
	Deutsche Bank AG London Branch	Branch Manager
Antonio Rodriguez Pina	Deutsche Bank SAE	Chairman and CEO
	CODESPA NGO	Member of the Board
	Nantik Lum NGO	Member of the Board of Trustees
Alessandro Solidoro	Galbusera S.p.A.	Board of Auditors Chairman
	Pirola Corporate Finance S.p.A.	Board of Auditors Chairman
	Grifols Italia S.p.A.	Board of Auditors Chairman
	Fiera Parking S.p.A.	Board of Auditors Member
	Collegio San Carlo S.r.l.	Board of Directors Chairman
	GSC S.r.l.	Board of Directors Member
	Sofidel S.p.A.	Board of Directors Member
	Fondazione Ente Autonomo Fiera Internazionale di Milano	Board of Auditors Chairman
	Accountancy Europe	Board Member
	Opera Diocesana per la Preservazione e Diffusione della Fede in Milano	Board of Directors Member
	Fondazione Collegio San Carlo	Board of Directors Member
	Rome Biomedical Campus University Foundation	College of Auditors Chairman
	Fondazione Ambrosiana per la Cultura e l'Educazione Cattolica	Member of the Board
Lars Stoy	Postbank Finanzberatung AG	Supervisory Board Chairman
	Postbank Filialvertrieb AG	Supervisory Board Chairman
	BHW Bausparkasse	Supervisory Board Chairman
	Talanx Deutschland Bancassurance GmbH	Advisory Board Member
Sandra Wirfs	-	

Management Board

The members of DB S.p.A. management board, who have been appointed by the Bank's supervisory board, will remain in office until the date of approval of the financial statement closed December 31, 2022.

The current members of the management board are listed below.

Member	Office held within DB S.p.A.
Roberto Parazzini	Chairman and CEO
Maria Giuseppina Ceré	Board Member
Luca Fachin	Board Member
Carlos Gonzaga	Board Member
Paolo Maestri	Board Member
Serdar Oezkan	Board Member
Giordano Villa	Board Member

Management board members are all domiciled for the purposes of their office at the Issuer's registered office.

The main offices held by management board members in companies other than the Issuer or companies belonging to the Deutsche Bank S.p.A. Group are listed below.

Member	Company	Office
Roberto Parazzini	Deutsche Bank AG – Milan Branch	Branch Manager
	Fondazione Deutsche Bank Italia	Board of Directors Chairman
	Assoreti	Member of the Board of Directors
Maria Giuseppina Ceré	-	
Luca Fachin	Deutsche Bank AG – Milan Branch	Branch Manager
Carlos Gonzaga	Italian Banking Association	Member of the Committee for Labour Affairs
Paolo Maestri	-	
Serdar Oezkan	Deutsche Bank Mutui S.p.A.	Board of Directors Member
	Cardea Real Estate S.r.l.	Board of Directors Member
		Board of Directors Member
Giordano Villa	Deutsche Bank Mutui S.p.A.	Board of Directors Member
	Cardea Real Estate S.r.l.	Board of Directors Member

Member	Company	Office
	Crif S.p.A.	Board of Directors Member
	Nomisma S.p.A.	Board of Directors Member
	Prestipay S.p.A.	Board of Directors Member
	Aifirm – Associazione Italiana Financial Industry Risk Managers	Board of Directors Member
	Fondo Interbancario di tutela dei depositi	

Conflicts of Interest for the Administrative, Management, and Supervisory Bodies

As of the date of this Prospectus, to the best of DB S.p.A.'s knowledge, no member of DB S.p.A.'s supervisory board and management board holds private interests that conflict with his/her own obligations deriving from his/her office or role held within the DB Group itself.

PRINCIPAL SHAREHOLDERS

Controlling Entity

DB S.p.A. is controlled by Deutsche Bank AG, a German company with registered office at Taunusanlage 12, Frankfurt am Main, D-60486, Germany. Control is exercised through a 95.64% direct equity stake and a 99.87% participation in the capital stock with voting rights.

DB S.p.A. is subject to the direction and coordination of Deutsche Bank AG.

The direction and coordination activity is exercised by Deutsche Bank AG in several ways which are actualized mainly through group policies designed to ensure that its business at the international level is characterized by the principles of sound and prudent management as well as by rigorous internal control procedures.

From time to time the Bank receives and enacts as necessary the aforementioned group policies that concern various aspects – among which mainly the credit business, cost management, recourse to outsourcing and personnel management – in the awareness that this contributes to the highest levels of efficiency and security in managing the company's business, and consistently with the focus on the Italian market brought by the parent company Deutsche Bank AG as part of its own business at the international level.

Agreements on the Control of the Issuer

To the best of the Issuer's knowledge, there are no agreements in operation of which may result a change in control of the Issuer.

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

Financial Information Subject to Audit related to the Last Two Financial Years

The Issuer's consolidated financial statements as of December 31, 2020 and 2021 were certified by the audit firm Mazars Italia S.p.A. The reports certifying these financial years are included in the respective financial statements.

Financial Statements

The binders of the statutory and consolidated financial statements closed as at December 31, 2020 and 2021 and their relative attachments, including the audit firm's certification report, are publicly available at the Issuer registered office, have been published on the website www.db.com/italia at the following link https://country.db.com/italia/chi-siamo/financial-reports?language_id=3 and are incorporated via reference pursuant to Article 19 of Regulation (EU) 2017/1129 and Article 7, paragraph 4 of CONSOB Regulation No. 11971/1999, as subsequently amended.

Audit of the Annual Financial Information for Past Fiscal Years

Financial Information Subject to Audit

The financial information for the fiscal years 2020 and 2021 was subject to certification by the audit firm Mazars Italia S.p.A.

Indication of Other Information Contained in the Base Prospectus that is Reviewed by the Auditors

Except for the figures from the statutory and consolidated financial statements, the Base Prospectus does not include figures or information subject to review by the audit firm.

Financial Figures Contained in the Document That Might Not Be Drawn from the Issuer's Financial Statements Subject to Audit

The financial figures contained in the Base Prospectus were drawn from the Issuer's financial statements that were subject to audit, unless otherwise indicated.

Date of the Last Financial Information

The statutory and consolidated financial statements as of December 31, 2021 contain the last financial information approved by the Issuer's shareholder meeting, made available to the public, and posted on the website www.db.com/italia.

Interim Financial Information and other Financial Information

There is no interim financial information available subsequent to that drawn from the statutory and consolidated financial statements for the fiscal year closed December 31, 2021.

Legal and Arbitration Proceedings

As of the date of the Base Prospectus in the last 12 months, the Issuer has no pending administrative, legal, or arbitration proceedings which in the Issuer's opinion may have or have had in the recent past significant repercussions on the capital, economic, or financial situation, or on its profitability, in the last 12 months.

With respect to existing litigation as of December 31, 2021, prudential provisions were set aside in the consolidated financial statement closed on this same date in the amount of EUR 16,7 million (relative to ordinary litigation, including revocatory actions, in the performance of banking business and the provision of investment services and complementary dealings), that are imputed to the Issuer.

Significant Changes in the Issuer's Financial or Trading Position

Subsequent to the closing of the statutory and consolidated financial statements as of December 31, 2021, no significant changes have occurred to the Issuer's financial and trading situation.

Select Financial Information on the Issuer

The Issuer – whose capital stock consists of 159,749,610 ordinary shares at a par value of EUR 2.58 each – earned a net profit for the fiscal year 2021 of EUR 35,7 million, of which EUR 1,8 million was imputed to the legal reserve, EUR 8,2 million was withheld for the coupon payment of the Additional Tier 1 capital instrument, EUR 24,5 million was distributed to shareholders and the remainder of EUR 1,2 million was carried forward.

After the profit distribution approved at the April 26, 2022 shareholder meeting and the coupon payment of the Additional Tier 1 capital instrument (on April 30th 2022), the Issuer's net equity amounts to EUR 2.069,3 million, of which EUR 412.2 million is the capital stock, EUR 3.5 million are the treasury shares and 145 million is the Additional Tier 1 capital instrument.

PRINCIPAL FINANCIAL FIGURES FOR THE DEUTSCHE BANK S.P.A. GROUP (Consolidated Figures)

The following table summarizes the most important capital solvency indicators for the Deutsche Bank S.p.A. Group relative to the fiscal years closed December 31, 2020 and 2021.

Assets	**31/12/2021 Audited**	**31/12/2020 Audited**
(in millions of €)		
Cash and cash equivalents	3.376	2.678
Financial assets at FVTPL	192	241
a) financial assets held for trading	54	103
b) financial assets designated at FV	-	-
c) other financial assets mandatory at FVTPL	138	138
Financial assets at ammortized cost	25.508	22.215
a) due from banks	5.182	2.710
b) loans to customers	20.326	19.505
Hedging derivatives	16	20
Financial Investments	9	4
Property and equipment	257	273
Intangible assets of which:	39	47
- goodwill	-	-
Tax assets	360	352
a) current	*100*	*92*

b) deferred	*260*	*260*
Non-current assets held for sale and discontinued operations	-	*5*
Other assets	756	611
Total assets	**30.513**	**26.446**

Liabilities and equity	**31/12/2021 Audited**	**31/12/2020 Audited**
(in millions of €)		
Financial liabilities at ammortized cost	27.603	23.748
a) due to banks	10.312	8.303
b) due to customers	17.288	15.440
c) securities issued	3	5
Financial liabilities held for trading	67	121
Hedging derivatives	6	8
Tax liabilities	2	-
a) current	-	-
b) deferred	*2*	-
Other liabilities	537	499
Employee termination indemnities	14	18
Allowances for risks and charges	183	174
a) commitments and guarantees given	42	39
b) post employment benefits	*13*	*12*
c) other allowances	*128*	*123*
Accumuluted other comprehensive income, net of tax	-	(1)
Equity instruments	145	145
Reserves	1.180	1.012
Additional paid-in capital	332	332
Common shares	412	412
Common shares in Treasury (-)	(4)	(4)
Net income (loss)	36	(18)
Total liabilities and shareholders' equity	**30.513**	**26.446**

	Year 2021 Audited	**Year 2020 Audited**
(in millions of €)		

Interest and similar income	541	535
of which: interest-income calculated with the effective interest method	*397*	*416*
Interest and similar expense	(63)	(66)
Interest margin	**478**	**469**
Fee and commission income	639	566
Fee and commission expense	(206)	(176)
Net fee and commission income	**433**	**390**
Dividend and similar income	1	2
Profits (Losses) on trading	9	-
Fair value adjustments in hedge accounting	-	(1)
Profits (Losses) on disposal or repurchase of:	**6**	**(14)**
a) financial assets at ammortized cost	*6*	*6*
b) financial assets at FV through OCI	-	-
d) financial liabilities	-	*(20)*
Profits (Losses) of other financial assets and liabilities at FVTPL:	*19*	*48*
a) financial assets and liabilities designated at FV	-	-
b) other financial assets mandatory at FVTPL	*19*	*48*
Net interest and other banking income	**946**	**894**
Net losses/recoveries on credit risk regading:	(117)	(187)
a) financial assets at ammortized cost	*(116)*	*(187)*
b) financial assets at FV through OCI	*(1)*	-
Profits (Losses) on contractual changes without cancellations	-	-
Net income from banking activities	**829**	**707**
Net income from banking and insurance activities	**829**	**707**
Administrative expenses	(734)	(690)
a) personnel expenses	(371)	(336)
b) other administrative expenses	(363)	(354)
Net provisions for risks and charges:	(6)	(17)
a) commitments and guarantees given	(4)	(3)
b) Other net provisions	(2)	(14)
Net adjustments to/recoveries on property and equipment	(53)	(55)
Net adjustments to/recoveries on intangible assets	(13)	(14)
Other operating expenses (income)	-	(5)
Operating expenses	**(806)**	**(781)**
Profits (Losses) on disposal of investments	2	-
Income (Loss) before tax from continuing operations	**25**	**(74)**
Taxes on income from continuing operations	11	56
Income (Loss) after tax from continuing operations	**36**	**(18)**

Income (Loss) after tax from discontinued operations	-	-
Net income (loss)	**36**	**(18)**
Minority interests	-	-
Parent company's net income (loss)	**36**	**(18)**
Basic E/(L) PS – Euro	0,24	(0,12)
Diluted E/(L) PS – Euro	0,24	(0,12)

Table 1 – Regulatory Capital and Capital Ratios (Individual Figures)

As of December 31, 2021, DB S.p.A. reported at individual level a Total Capital Ratio of 12.55% against the required minimum of 10,50%, and a Tier one capital ratio of 10,55%.

CONSOLIDATED FIGURES	Fiscal Year	
	2021	2020
TIER ONE CAPITAL RATIO (Tier one capital/ risk-weighted assets)	10,55%	10,07%
TOTAL CAPITAL RATIO (Guarantee capital/ risk-weighted assets)	12,55%	12,82%
CORE TIER ONE CAPITAL RATIO	9,80%	9,28%
AMOUNT OF RISK WEIGHTED ASSETS (in millions of EUR)	19.328	18.212
TOTAL REGULATORY CAPITAL (in millions of EUR)	2.426	2.334
Tier One capital	2.039	1.835
Tier Two capital	387	499

Below is a list of the main credit risk indicators for the Deutsche Bank S.p.A. Group in the fiscal years closed December 31, 2020 and 2021.

Table 2 – Principal Credit Risk Indicators (consolidated figures)

CONSOLIDATED FIGURES	Fiscal Year	
	2021	2020
Gross impaired assets/Gross exposure of accounts receivable	4,61%	3,75%
Net impaired assets/Accounts receivable	1,89%	0,99%
Gross non-performing assets/ Gross exposure of accounts receivable	2,24%	2,33%
Net non-performing assets/Accounts receivable	0,41%	0,26%

DESCRIPTION OF THE SELLER

See “Description of the Issuer” section.

DESCRIPTION OF THE GUARANTOR

The Guarantor has been established as a special purpose vehicle for the purpose of guaranteeing the Covered Bonds

The Guarantor was incorporated in the Republic of Italy on 11 January, 2012 as a limited liability company incorporated under Law 130, with VAT number, Fiscal Code number and registration number with the Treviso Register of Enterprises No.04497970261. The Guarantor was initially incorporated under the name “SPV Covered Bond S.r.l.” and changed its name into “DB Covered Bond S.r.l.” by resolution of the meeting of the Guarantor Quotaholders held on 25 May 2012. The Guarantor has a duration until 31 December, 2100 (period that could be extended).

On 5 June 2012, the Bank of Italy authorised the purchase by the Issuer of 90 per cent of the quota capital of the Guarantor; such purchase took place on 13 June 2012.

The Guarantor has its registered office at Conegliano (TV), Via Vittorio Alfieri, No. 1, Italy and the telephone number of the registered office is +39 0438 360926. The authorised, issued and paid in quota capital of the Guarantor is Euro 10,000.

Legal Entity Identifier

The legal entity identifier (LEI) of the Guarantor is 529900Y3O6X652Z2AN33.

Business Overview

The exclusive purpose of the Guarantor is to purchase from banks, against payment, receivables and securities also issued in the context of a securitisation, in compliance with article 7-*bis* of Law 130 and the relevant implementing provisions, by means of subordinated loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the covered bonds issued by such banks or other entities.

Within the limits allowed by the provisions of Law 130, the Guarantor can carry out the ancillary transactions for purposes of the performance of the guarantee and the successful conclusion of the issue of banking covered bonds in which it participates or, however, auxiliary to the aim of its purpose, as well as the re-investment in other financial activities of the assets deriving from the management of the credits and the securities purchased, but not immediately invested for the satisfaction of the Covered Bondholders’ rights.

Since the date of its incorporation, the Guarantor has not engaged and will not engage in any business other than the purchase of the Receivables from the Seller and the issue of the Covered Bond Guarantee securing the payment obligations of the Issuer under the Covered Bonds issued under the Programme.

The Guarantor will covenant to observe, *inter alia*, those restrictions which are detailed in the Intercreditor Agreement.

Administrative, Management and Supervisory Bodies

The Guarantor is currently managed by a Board of Directors, composed by three members reappointed on March 16, 2021 by the Quotaholders’ meeting for the fiscal years 2021, 2022 and 2023. Their mandate will expire on the date of the Quotaholders’ meeting called to approve the financial statement as of December 31, 2023.

The current members of the Board of Directors are listed below.

Member	**Office held within the Issuer**
Emanuela Maria Giusti	Chairman and Managing Director
Frigerio Augusto	Board of Directors Member
Paolo Gabriele	Board of Directors Member

The board members are all domiciled for the purposes of their office at the Guarantor's registered office.

The main offices held by board members in companies other than the Issuer or companies belonging to the Deutsche Bank S.p.A. Group are listed below.

Member	**Company**	**Office**
Emanuela Maria Giusti	Oasis Securitisations S.r.l.	Board of Directors Member
	Trust Asclepio (DB S.p.A.)	Board of Directors Member
Paolo Gabriele	Finanziaria Internazionale Investments SGR S.p.A.	Director
	Florence SPV S.r.l.	Sole Administrator
	IFIS NPL 2021-1 S.r.l.	Chairman and Managing Director
	SPK OBG S.r.l.	Sole Administrator
	Siena Mortgages 10-7 S.r.l.	Chairman and Managing Director
	Estense Covered Bond S.r.l.	Managing Director
	Consumer Three S.r.l.	Managing Director
	Beltanio Funding S.r.l.	Board of Directors Member
	POPSO Covered Bond S.r.l.	Managing Director
	Estense CPT Covered Bond S.r.l.	Managing Director
	Auto ABS Italian Loans 2018-1 S.r.l.	Sole Director
	Desio OBG S.r.l.	Managing Director
	HVL Bolzano S.r.l.	Sole Administrator
Frigerio Augusto	Fiduciaria S. Andrea S.r.l.	Board of Directors Member

Board of Statutory Auditors

The members of the Board of Statutory Auditors have not been appointed yet as at the date of this Base Prospectus.

External Auditor

Mazars Italia S.p.A. whose registered office is in Milan, Via Ceresio, No. 7, Italy, was reappointed as independent audit firm of the Guarantor for the year 2020, 2021 and 2022 by the Quotaholders meeting of June 30, 2020. Mazars Italia S.p.A. is registered under the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office.

Conflicts of interest

There are no potential conflicts of interest between the duties of the members of the Guarantor's Board of Directors and their private interests or other duties or role held within the Deutsche Bank S.p.A. Group itself.

Quotaholders

The Guarantor is a limited liability company having its capital divided into quotas.

The quotaholders of the Guarantor (hereafter together the **Quotaholders**) are as follows:

DB S.p.A. 90 per cent of the quota capital;

SVM Securitisation Vehicles Management S.r.l. 10 per cent of the quota capital.

The Guarantor is subject to the activity of direction and coordination, pursuant to Article 2497 of the Italian Civil Code, of DB S.p.A.

The Quotaholders' Agreement

The Quotaholders' Agreement contains *inter alia* a call option and a put option in favour of DB S.p.A. to purchase from, or sell to, SVM Securitisation Vehicles Management S.r.l., the quota of the Guarantor held by SVM Securitisation Vehicles Management S.r.l. and provisions in relation to the management of the Guarantor. Each option may only be exercised from the day on which all the Covered Bonds have been redeemed in full or cancelled.

In addition the Quotaholders' Agreement provides that no Quotaholder of the Guarantor will approve the payments of any dividends or any repayment or return of capital by the Guarantor prior to the date on which all amounts of principal and interest on the Covered Bonds and any amount due to the other Secured Creditors have been paid in full. Please also see section "*Description of the Transaction Documents – Quotaholders' Agreement*" below.

No material litigation

Since the date of the incorporation of the Guarantor, there have been no governmental, legal or arbitration proceedings, nor is the Guarantor aware of any pending or threatened proceedings of such kind, which have had or may have significant effects on the Guarantor's financial position or profitability.

Financial Information concerning the Guarantor's Assets and Liabilities, Financial Position, and Profits and Losses

The Guarantor has drawn up its second financial statements as of December 31st, 2021. Financial key figures are as follows:

- net equity eur 12.000
- thereof net P/L (*profit and loss*) result eur zero
- liquidity held in c/c with banks eur 43.261
- other payables eur 39.524
- net income commission eur 75.760
- operating expenses eur 75.662

As to the composition of the ring fenced assets (mortgage loans) the statement of the financial position as of December 31st, 2021 may be summarized as follows (figures are in Euro):

- Mortgage loans eur 3.068.298.806 • Liquidity held with banks eur 1.063.183.154 • Remaining other assets eur 12.620.454
- Total assets eur 4.144.102.414
- Subordinated loans eur 4.163.539.165 • Remaining other liabilities eur 11.827.261 • Total liabilities eur 4.175.366.426

Profit and loss accounts key figures are as follows (in Euro):

- Interest income on loans eur 66.296.399
- asset swap - net expenses eur 14.953.318
- subordinated loan - interest expense eur (82.145.665)
- commissions / fees paid to Servicer eur (3.389.758other remaining operating costs eur (10.369.945)
- net result eur (14.593.448)

Capitalisation and Indebtedness Statement

The capitalisation of the Guarantor as at the date of this Base Prospectus is as follows:

Quota capital issued and authorised

DB S.p.A. has a quota of Euro 9,000.00 and SVM Securitisation Vehicles Management S.r.l. has a quota of Euro 1,000.00 each fully paid up.

Total capitalisation and indebtedness

Save for the foregoing and for the Covered Bond Guarantee and the Subordinated Loan in accordance with the Subordinated Loan Agreement, at the date of this document, the Guarantor has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

DESCRIPTION OF THE ASSET MONITOR

The BoI 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 Covered Bond Guarantee.

Pursuant to the BoI 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 related regulations issued by the Ministry for Economy and Finance and shall not be the audit firm of the Issuer or of the Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the statutory auditors of the Issuer.

Pursuant to an engagement letter, the Issuer has appointed BDO Italia S.p.A., a company incorporated under the laws of Italy, having its registered office in Milan, Viale Abruzzi, 94, with fiscal code, VAT number and enrolment with the Companies Register of Milan under number 07722780967 and enrolled under the Register of Certified Auditors held by the Ministry for Economy and Finance – Stage general accounting office, at no. 167911, as initial asset monitor (the **Asset Monitor**) in order to perform, subject to receipt of the relevant information from the Issuer, specific agreed upon procedures concerning, *inter alia*, (a) the fulfilment of the eligibility criteria set out under Decree No. 310 with respect to the Eligible Assets and Integration Assets included in the Cover Pool; (b) the arithmetical accuracy of the calculations performed by the Calculation Agent in respect of the Mandatory Tests and the compliance with the limits set out in Decree No. 310 with respect to covered bonds issued and the Eligible Assets and Integration Assets included in the Cover Pool as determined in the Mandatory Test;; (c) the compliance with the limits to the transfer of the Eligible Assets set out under Decree No. 310 and BoI Regulations; and (d) the effectiveness and adequacy of the risk protection provided by any Swap Agreement entered into in the context of the Programme

The engagement letter is or will be in line with the provisions of the BoI Regulations in relation to the reports to be prepared and submitted by the Asset Monitor to the Statutory Auditors Board of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Asset Monitor Agreement

Furthermore, pursuant to an asset monitor agreement entered into between, *inter alios*, the Issuer, the Calculation Agent, the Servicer, the Guarantor and the Representative of the Covered Bondholders, dated on or about the Initial Issue Date (the **Asset Monitor Agreement**), the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Calculation Agent to the Asset Monitor, to conduct independent tests in respect of the calculations performed by the Calculation Agent for the Tests, as applicable on a semi-annual basis with a view to verifying the compliance of the Cover Pool with such tests.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Calculation Agent for the purpose of conducting such tests is true and correct and not misleading in any material respect, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The results of the tests conducted by the Asset Monitor will be delivered to the Calculation Agent, the Guarantor, the Issuer, the Servicer and the Representative of the Covered Bondholders.

The Issuer and (upon delivery of a Notice to Pay) the Guarantor may, at any time, but subject to the prior written consent of the Representative of the Covered Bondholders, terminate the appointment of the Asset Monitor by giving at least 3 (three) months' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a substitute asset monitor has been found by the Issuer or the Guarantor (such substitute asset monitor to be approved by the Representative of the Covered Bondholders) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Asset Monitor may, at any time, resign by giving at least 6 (six) months' (or such shorter period as the Representative of the Covered Bondholders may agree) prior written notice to the Issuer, the Guarantor, the Servicer, the Calculation Agent and the Representative of the Covered Bondholders, provided that such resignation will not take effect unless and until a substitute asset monitor has been found by the Issuer and (upon delivery of a Notice to Pay) the Guarantor (such substitute asset monitor to be approved by the Representative of the Covered Bondholders) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor 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 and the limited recourse nature of the payment obligation of the Guarantor *vis-à-vis* the Asset Monitor.

The Asset Monitor Agreement is governed by Italian law.

DESCRIPTION OF THE COVER POOL

The Cover Pool consists of (i) the Initial Receivables, originated by the Seller and to be transferred to the Guarantor according to the Master Transfer Agreement, which, in turn, consists of receivables arising from Mortgage Loans only (the initial portfolio is composed of mortgage loans backed by Italian residential assets. Each Mortgage Loan in the portfolio has been selected in accordance with the Mortgage Loan General Criteria described in the Prospectus and the Specific Criteria that have attached to the offer for sale of the initial portfolio), and will include (ii) any Subsequent Receivables comprising Eligible Assets, which may consist of residential mortgage loans, and/or Integration Assets, assigned from time to time to the Guarantor by the Seller in accordance with the terms of the Master Transfer Agreement. The Initial Receivables and any Subsequent Receivables, respectively, comply and will comply with the requirements of article 7 bis of the Law 130.

As at the date of this Base Prospectus, the Receivables consist of Mortgage Loans transferred by the Seller to the Guarantor in accordance with the terms of the Master Transfer Agreement, as more fully described under "*Description of the Transaction Documents – Master Transfer Agreement*".

For the purposes hereof:

ABS means securities issued in the framework of securitisations having as underlying assets Mortgage Loans or Public Assets, pursuant to Article 2, paragraph 1, lett. (d) of the MEF Decree.

Eligible Assets means the Mortgage Loans, the Public Assets and the ABS.

Initial Receivables means the first portfolio of Eligible Assets transferred by the Sellers to the Guarantor pursuant to the Master Transfer Agreement.

Mortgage Loans means Italian residential mortgage loans (*mutui ipotecari residenziali*) pursuant to Article 2, paragraph 1, lett. (a), of the MEF Decree.

Public Assets means pursuant to article 2, sub-paragraph 1, of MEF Decree, any receivables owned or securities issued by, or having the benefit of a guarantee eligible for credit risk mitigation granted by:

(a) Public Entities, including ministerial bodies and local or regional bodies, located within an Eligible State for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and

(b) Public Entities, located outside an Eligible State, for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach – or regional or local public entities or non-economic administrative entities, located outside an Eligible State, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach,

provided that the Public Assets may not amount to more than 10% of the aggregate nominal value of the Cover Pool and further provided that such limit may be temporarily exceeded if necessary in order to cure a breach of Tests.

Public Entities has the meaning ascribed to such term in article 2, letter (c) of MEF Decree.

Receivables means collectively the Initial Receivables and any other Subsequent Receivables which has been purchased and which will be purchased by the Guarantor in accordance with the terms of the Master Transfer Agreement.

Subsequent Receivables means the further portfolios of Eligible Assets and/or Integration Assets, transferred by the Seller to the Guarantor pursuant to the Master Transfer Agreement (other than deposits with banks residing in Eligible States pursuant to Article 2, para. 3 of the MEF Decree).

The Receivables transferred and to be transferred from time to time to the Guarantor pursuant to the Master Transfer Agreement will meet the following criteria on each relevant Transfer Date:

1. The Mortgage Loans General Criteria

Receivables arising from building and land mortage loans (*mutui ipotecari* e *mutui fondiari*) which, as at the Evaluation Date (inclusive), met all the following criteria (except as otherwise specified):

1. loans classified as building and land mortage loans (*mutui ipotecari* and *mutui fondiari*);

2. loans secured by way of a mortgage on residential immovable property where the ratio beween the loan amount and the value of the security (determined as at the date of the financing agreement) is equal to or less than 80%;

3. loans having as their main debtors one or more natural persons (*persone fisiche*) (SAE Code 600/614/615), at least one of which resides in Italy as at the date of disbursement of the loan;

4. loans which have been fully drawn (even if not in a single tranche) or which arise from the fractioning in amounts of a previous loan and in relation to which there is no obligation or possibility to make additional drawdowns;

5. loans secured by way of a mortgage on residential immovable property located in the Republic of Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has passed as at the or prior to the Evaluation Date;

6. loans for which at least one instalment has matured and has been repaid;

7. loans governed by Italian law;

8. loans denominated in Euro (or drawn in a different currency and subsequently re-denominated in Euro);

9. loans secured by a first mortgage (*ipoteca di primo grado economico*), i.e.:

    (a) a first legal mortgage; or

    (b) a mortgage ranking in priority immediately after a first legal mortgage in respect of which:

(A) the relevant lender has consented in writing to the cancellation of the first legal mortgage(s); or

(B) the obligations secured by the first legal mortgage have been fully satisfied;

10. loans secured by a first mortgage (*ipoteca di primo grado economico*) over immovable property which has already been completed (i.e. which is not in construction).

Receivables arising from mortgage loans which, at the Evaluation Date, comply with the criteria listed above are excluded (save as provided otherwise) where, as at the Evaluation Date such loans:

11. have been granted to public entities (*enti pubblici*), public consortiums (*consorzi pubblici*) or ecclesiastical entities (*enti ecclesiastici*);

12. are classified as agricultural mortgages (*mutui agrari*) or fishing mortgages (*mutui pescherecci*) pursuant to Articles 43, 44 and 45 of the Banking Act;

13. have been drawn pursuant to any law (including regional law) that envisages subsidies or allowances on principal or interest (i.e. loans at preferential rates (*mutui agevolati o convenzionati*);

14. have been wholly or partially funded by third parties (including by facilitation entities (*enti agevolanti*)).

2. The Public Assets General Criteria

Receivables arising from Public Assets:

Each of the Receivables arising from the Public Assets which are loans granted to, or guaranteed by, the public entities indicated in Article 2, paragraph 1, lett. (c), of the MEF Decree shall comply with the following criteria set out under Article 2, paragraph 1, lett. (c) of the MEF Decree, being a receivable whose debtors or guarantors (pursuant to a "guarantee valid for the purpose of credit risk mitigation" (*garanzia valida ai fini della mitigazione del rischio di credito*), as defined by Article 1, paragraph 1, lett. h) of the MEF Decree) are:

(a) public administrations of Eligible States, including therein any ministerial bodies and local or regional bodies (*enti pubblici territoriali*), national or local entities and other public bodies, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach;

(b) public administrations of States other than Eligible States for which a risk weight not exceeding 0% is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach,

(c) municipalities and national or local public bodies not carrying out economic activities (*organismi pubblici non economici*) of States other than Eligible States for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach,

provided that, the aggregate of the receivables described under item b) and c) above may be included in the Portfolios only up to a limit of 10% of the nominal value of the residual debt of the other Eligible Assets included in the Portfolio.

Each of the Public Assets which are the securities issued or guaranteed by the public entities indicated in Article 2, paragraph 1, lett. (c), of the MEF Decree shall meet the following characteristics set out under Article 2, paragraph 1, lett. (c) of the MEF Decree:

(a) securities issued or guaranteed by public administrations of the Eligible States, including therein any ministerial bodies and local or regional bodies (*enti pubblici territoriali*), national or local entities and other public bodies, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach; or

(b) securities issued or guaranteed by public administrations of States other than Eligible States, for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach; or

(c) securities issued or guaranteed by municipalities and national or local public bodies not carrying out economic activities (*organismi pubblici non economici*) of States other than Eligible States, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach,

provided that, the aggregate of the securities described under item b) and c) above may be included in the Portfolios only up to a limit of 10% of the nominal value of the residual debt of the other Eligible Assets included in the Portfolio.

3. The ABS General Criteria

Receivables arising from ABS:

Each of the Receivables arising from asset backed securities issued in the context of securitisation transactions shall comply with the following criteria set out under Article 2, paragraph 1, lett. (d) of the MEF Decree:

(i) the relevant securitised receivables comprise, for an amount equal at least to 95%, loans and securities referred to under Article 2, paragraph 1, lett. (a), (b) and (c) of the MEF Decree;

(ii) the relevant asset backed securities attract a risk weighting factor not exceeding 20% in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach.

"**General Criteria**" means the Mortgage Loans General Criteria and/or the Public Assets General Criteria and/or the ABS General Criteria.

"Specific Criteria" means the criteria for the selection of the Receivables to be included in the portfolios to which such criteria are applied, set forth in Schedule 1 to the Master Transfer Agreement for the Initial Receivables and in the relevant Offer for the Subsequent Receivables.

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

CREDIT AND COLLECTION POLICIES

The following is a summary of the Bank's (as defined below) standard Credit and Collection Policies applied to mortgage to private individuals' portfolio in effect as of the date of this Base Prospectus.

Origination and Underwriting

The mortgage loans to private individual underlying the Covered Bond were originated by DB S.p.A.

The production sources for the relevant loans were: the approximately 337 branches across Italy of DB S.p.A.; the about 1.500 financial advisors of Finanza & Futuro Banca network; the DB Easy network (with another 121 Consumer finance centers); the cooperation partner BancoPosta SpA, approximately 14.000 point of sales across Italy.

In addition, a strict delegation of credit authority and a "four eyes" principle are applied.

The credit underwriting process is managed by the Sale channels, a unique Processing Centre for Mortgage loans (based in Naples, "**CPN**") and the centralised Credit Risk Management ("**CRM**") Macro Function.

Fundamental principles aimed at managing the credit risk are:

– Loans should be granted in line with the customers capacity and willingness to repay

– Any extension of credit to any borrower must be approved by duly authorized individuals or bodies

– Credit authorities are assigned as personal credit authorities according to individual qualification, experience and training and are reviewed periodically

– The customer must be deemed trustworthy

– The purpose of credit must be plausible

– The loan or customer relationship may not result in damage of the bank's reputation

Delegation of Credit Authority and "Four Eyes" Principle

All credit approvals are executed on the basis of the "four eyes" principle, i.e. the credit application is sponsored by a business unit; the credit decision is under the responsibility of CRM or of the Business function (according to the credit application risk profile).

Credit approvals are executed on the basis of the "four eyes" principle, i.e. sponsorship from a relationship manager and a credit analyst with the required authority.

The level at which a loan may be approved depends on the credit limits of the credit authority and the loan's risk characterisation. Credit authorities are: personal authorities review periodically, delegated by CRM to relationship managers, CPN and CRM analysts, in line with qualification and experience of each person.

<u>Underwriting Process</u>

The current underwriting criteria of the Bank are set out in the "PBC Credit Process Guide", specifically integrated by the "Credit manual for mortgage loans secured by real estates to individuals" and by the "Key Operating Procedures for the Naples Processing Centre – Mortgage loans".

The Credit manual for mortgage loans secured by real estates to individuals defines the underwriting process and the instructions and rules to be followed for the credit evaluation of the application. This document describes the credit decision underwriting process, determining the decision level entitled to take the final decision according to a combination of PD Rating, Business Rules (determining the integrated evaluation level) and exposure calculation.

In addition, it defines the required characteristics of the applicants, the thresholds for specific variables related to the products (e.g. maximum tenor, maximum loan amount, max Loan To Value, max Debt To Income); the requested documentation related to the applicants, guarantors and to the real estate collateral.

For the approval of a mortgage loan, the following document are generally required: purchase agreement; excerpt from the Land registry; documents confirming the creditworthiness (income, tax assessment notice, salary statement, etc).

The Key Operating Procedures for the Naples Processing Centre – Mortgage loans defines the operating and managing processes related to the Naples Processing Centre, describing the units / teams / roles of the Processing Centre and their specific activities.

The application process is driven by a specific workflow for mortgage loan products, applying the appropriate application rating model, the related credit rules and send the application to the competent Authority Level entitled to take the final decision.

<u>Data collection and Front End Feeding</u>

The sale channel operator describes to potential Clients the mortgage loan set proposed in order to find out the product suitable (e.g. tenor, interest rate type) for the applicant's financial needs.

Once the mortgage loan proposition is identified, the applicants and the guarantors have to deliver the required documentation, in order to prepare loan application. The sale channel operator verifies the effectiveness of the identity documentation and the completeness and correctness of the other documents.

Moreover, the operator uploads the application data to the system. At the end of the uploading activity, the sale channel operator submits the loan application document to the applicants and eventually guarantors for the signature.

<u>Three steps process for the Credit Authority Level assignment</u>

When the application is submitted, the system scores the loan applications based on a combination of PD Rating, Business Rules (determining the integrated evaluation level) and exposure calculation

1. PD rating: it is assigned according to specific modules (customer data, application data, credit bureau information); the PD rating is defined as a function of a rating score and represents the probability of default (90 days past due) of the applicant in a one-year period.

In case the mortgage is jointly requested by many obligors, the score engine calculates the applicant PD Rating for each single obligor using both individual data (e.g. years at address) and aggregated data (e.g. net income). Once the engine obtains the applicant PD Rating for all obligors, it associates the best one to the application, determining the application PD Rating.

No manual override of the application PD Rating is possible.

2. A specific set of Business Rules is associated to the mortgage product type and automatically checked by the system. The Business rules are warning indicators detecting exceptions to credit rules or product characteristics, implying a higher potential risk and therefore implying a higher credit authority level.

   Based on the first and second step, a risk level varying from A1 to A6 (the riskiest level) is associated to the application. The Integrated Evaluation Level of the mortgage loan application is determined as the highest risk level between the application PD rating and the Business Rules.

3. Exposure Calculation Module considers the current exposure of the customer towards Deutsche Bank, divided into: Credit Application, Direct Cumulated Exposure and Indirect Credit Exposure (guarantees received by Deutsche Bank from a customer for credit lines granted to another subject).

The last step of this process is the integration of the information provided by the Integrated Evaluation Level with the one originated by the Exposure Calculation Module (ECM). The combination of the Integration Evaluation Level and Exposure Calculation Module is mapped into a matrix from which stems the Credit Authority Level.

Once the Credit Authority Level has been determined, the user can have an overview of the application in a Credit Report supporting the Credit Officer in taking the appropriate credit decision.

<u>Pre-feasibility assessment</u>

The pre-feasibility assessment is performed by a Credit Analyst of CPN. In case of positive evaluation: loan applications with higher credit authority level are sent to CRM for the pre-feasibility final decision; otherwise, the loan is considered approved.

The three possible outcomes of the pre-feasibility assessment are: refusal, approval and inhibition.

In case of Refusal related to negative characteristics of the application, the process must be stopped and the application rejected with relevant reason of refusal.

In case of Approval the application has been considered compliant with the credit criteria and the approval process can proceed.

After the positive result of the pre-feasibility assessment, the requests for the preliminary notary documentation to the Public Notary (a public official) and for the real estate collateral assessment to an external real estate company (which contacts the real estate collateral owner to visit the collateral) are activated.

In case of Inhibition, the mortgage loan application is considered incomplete or subject to modifications. The application has to be updated or reworked according to CPN remarks by the relevant sale channel operator. This activity has to be performed with a direct contact with the customers. Every modification or adjustment must be signed again by customers. In case the customer does not accept the remarks proposed by the Bank, the request must be declined.

Data documentation delivery to CPN

Given the pre-feasibility approval, the customer is informed that the request can proceed. The customer has to prepare all the required documentation (e.g. the official documentation about the income or concerning his / her occupation prepared by the employer) necessary for mortgage loan evaluation.

The documentation is provided through the sale channel to PCC Services Naples Processing Centre (CPN) where an Analyst carries out a check and analysis, mainly, in terms of data completeness and compared to the information provided in Front End during the feasibility assessment (i.e. income statement).

Collateral Evaluation Process

For applications with a positive pre-feasibility assessment, the CPN requests to external providers the real estate collateral appraisal, throughout a dedicated web-platform.

Once the documentation has been received by CPN, the Analyst has to analyse the appraisal, confirm the value (or request further explanation or a new appraisal to control the plausibility) and manage the activities related to the collateral management system.

The valuation of collateral is determined in policies and local guidelines in accordance with DB Group policies.

The value of collateral is calculated as the market value, representing the exchange value, i.e. the amount a real estate would pay, if it was for sale on the (free) market at the valuation date.

Real estate collateral assessment is performed by external providers, selected by CRM based on several eligibility criteria, regularly reviewed. In particular, the providers are in line with the "Guidelines for the evaluation of real estate properties used as collaterals for credit exposures" issued by Italian Banking Association in 2010, and voluntarily signed by DB S.p.A. in April 2011.

Credit decision

When the application is complete, the CPN Analyst sends the application to the relevant Approver who can alternatively:

- refuse the loan;
- suspend the final decision, waiting for additional clarifications on documentation presented;
- approve the loan application (even provided that particular conditions are met before the disbursement, e.g. payment of other existing loans).

If case the application is approved, the loan is disbursed by a specific CPN analyst after the following activities: the automatic definition of the instalment plan; the communication to the notary of the final data for the mortgage loan contract; the preparation of information necessary for final contract (loan contract and mortgage contract for the real estate collateral).

The signature of the official contract is done in front of a notary (who is a Public Official) by the bank representative, applicants and guarantors.

Data storage and documentation archive

Along the whole credit process, the information are archived in order to allow to replicate the credit decision with the original data, if required.

After disbursement and quality assurance controls on final documentation sent by Public Notary, the whole dossier, including final copy of public contract and mortgage guarantee registration is sent to an external company, for the scanning activities. All the documents are so available on a dedicated website, in pdf format for further controls and activities.

Portfolio Management Process

The portfolio is monitored regularly regarding client quality, delinquency ratios, loan loss provisions as well as periodical value control of real estates (regular statistical re-evaluation based on external provider market data about comparable sales of real estate, in the same area and with similar characteristics; the relevant database is updated twice a year).

In case of necessity, specific and focused analysis are performed on the mortgage loans portfolio and on its sub-portions.

Quality Control

The Private and Business Clients Divisions are subject to intensive periodic unscheduled audits regarding compliance with the Banks' standing policies and guidelines, as well as regulatory requirements.

Four units are responsible for checking the compliance with policies and procedures: Credit Policies & Quality Assurance CRM and Operational Risk Management, Asset Quality Review and Internal Audit Department.

Quality Assurance

The CRM defines the quality assurance strategies, approves the related guidelines, while the Business performs the controls.

CRM Credit Policies & Quality Assurance reviews samples of loans. The samples are selected based on main risk drivers defined by CRM.

Moreover, systematic verifications of business approved loans are performed by plausibility checks including data quality and conformity with the guidelines.

Data integrity check, credit process adherence analysis, review of loan documentation accuracy and collateral information are the main tasks of QA.

Conclusions of the reviews regularly communicated to the Business and Process Areas, CRM Management, ORM Management through quarterly meetings where QA report is presented.

Asset Quality Review

The Asset Quality Review Function (AQR) PBC is an independent review function, which carries out periodic reviews on all regional and product portfolios. The review cycle is generally between 1 and 3 years. AQR PBC's primary objectives are to ensure that

- credit risks are proactively identified, risk rating and loan loss assessments are accurate and timely,
- credit policies and strategies are complete and appropriate,
- credit processes and procedures - as they affect credit quality - meet industry best practices and senior management expectations,
- Senior Management has an overview of the risks associated with the Banks' various PBC portfolios.

Internal Audit

An audit comprises a risk-based review of systems, procedures and controls implemented for a specific product or functional area. Appropriate audit testing is performed on a risk-oriented basis. Generally, audits include integrated evaluation of all operational components and appropriate IT applications owned by the audited unit.

Group Audit's dynamic audit plan is based on a top-down risk assessment process performed at least annually and constantly updated. Audit coverage is determined by the resulting Audit Approach Indicator, which determines the audit intensity for all auditable areas each year. There are four levels of audit approach (A-D), whereby the audit approach concept is cumulative:

- Audit Approach A (least intensive) – Continous Audit Assessment (CAA) and Risk Assessment Process update, where necessary.
- Audit Approach B – Evaluation of the design and operating effectiveness of Monitoring Controls only.
- Audit Approach C – Evaluation of the design effectiveness of Monitoring and Processing Controls plus the operating effectiveness of Monitoring Controls.
- Audit Approach D (most intensive) – Evaluation of the design and operating effectiveness of Monitoring and Processing Controls.

Arrears and Enforcement Procedures

If a Borrower defaults on a due payment, the Bank starts the collection process according to the existing key operating procedures.

The process is standardised with slight differences among the origination channel related to tasks and responsibilities or timing.

CRM defines the collection and recovery strategies, approves the related guidelines, monitoring and controlling the recovery and collection process; while the Business performs directly or indirectly (e.g. external collectors) all the Collection, Recovery and legal activities related to the customers in arrears.

The collection process is divided into three main phases:

- Early collection: the core banking system trigger a communication to the client with one instalment in arrears, informing that he will be registered in the archives of "bad customers" in case of missing repayment and in parallel, a first contact attempt is made by the DB branches network or a phone collection agency depending on the sale channel. This phase is performed when the loan has one or two overdue instalments.

- Middle collection: the loan is assigned to two different external collection agencies in subsequent dedicated collection phases. up to 5-6 overdue instalment.

- Late collection: pre-legal activities are performed by external lawyer (the assignment to external lawyer can be anticipated in critical cases). This phase starts at the sixth overdue instalment with the aim to find an agreement for the repayment to cover the whole overdue. The Business can decide whether keeping on with this phase (extending the mandate to the external lawyer) or sending a termination letter to the client.

The recovery process is split into the following main activities:

- Letter of formal notice (*messa in mora*) sent to customer by the external lawyer with the aim of receiving payment or agreeing on a repayment plan.

- Notice of order of payment ("*Precetto*", by external law firms), formal communication by the external law firm to claim the whole amount due.

- Session for parties appearance and expert witness (CTU, appointed by the Court), with the assessment and lodge of the real estate appraisal by CTU.

- Auction and property assignment, through a decree of property conveyance by the Court. The number of auctions generally depends on property type and location; the average period between two auctions is one year.

- Distribution includes the deposit of credit documentation by creditors (*precisazione del credito*), the assessment of distribution plan by external expert (*delegato alla vendita*) appointed by the Court, the session for distribution plan approval.

- Amounts assignment to creditors, according to the order of payment (*piano di riparto*) by the Court.

Although the collection and recovery process is standardized, specific cases can be managed with a customized approach.

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional obligations of the Issuer guaranteed by the Guarantor. The Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Representative of the Covered Bondholders on the Guarantor of either a Notice to Pay or, if earlier, following the occurrence of a Guarantor Event of Default, service by the Representative of the Covered Bondholders of an Acceleration Notice on the Guarantor. The Issuer will not be relying on payments by the Guarantor 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 Covered Bondholders:

(a) the Covered Bond Guarantee provides credit support to the Issuer;

(b) the Mandatory Tests are intended to ensure that the Cover Pool is at all times sufficient to pay any interest and principal under the Covered Bonds;

(c) the Asset Coverage Test is intended to test the asset coverage of the Guarantor's assets in respect of the Covered Bonds prior to the service of a Notice to Pay, 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;

(d) the Amortisation Test is periodically performed, following the occurrence of an Issuer Event of Default and service of a Notice to Pay, for the purpose of testing the asset coverage of the Guarantor's assets in respect of the Covered Bonds;

(e) the Swap Agreements are intended to hedge certain interest rate, currency or other risks in respect of amounts received and amounts payable by the Guarantor;

(f) a Reserve Account will be established which will build up over time using excess cash flow from Interest Available Funds, in order to ensure that the Guarantor will have sufficient funds set aside to fulfil its obligation to pay interest accruing with respect to the Covered Bonds.

Certain of these factors are considered more fully in the remainder of this section.

Covered Bond Guarantee

The Covered Bond Guarantee provided by the Guarantor guarantees payment of Guaranteed Amounts on the Due for Payment Date in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any other amount becoming payable in respect of the Covered Bonds for any other reason. In this circumstance (and until a Guarantor Event of Default occurs and an Acceleration Notice is served), the Guarantor's obligations will only be to pay the Guaranteed Amounts on the Due for Payment Date.

See further "*Description of the Transaction Documents — Covered Bond Guarantee*", as regards the terms of the Covered Bond Guarantee.

Tests

Under the terms of the Cover Pool Administration Agreement, the Seller and the Issuer must ensure that the Cover Pool is in compliance with the Tests described below.

See section "*Description of the Transaction Documents – Cover Pool Administration Agreement*".

Mandatory Tests

For so long as the Covered Bonds remain outstanding (in accordance with the Conditions and the relevant Final Terms), the Seller and the Issuer shall procure on an ongoing basis and for the whole life of the Programme that each of the following tests is met:

(a) the sum of a) the outstanding aggregate notional amount of the assets comprised in the Cover Pool b) the aggregate amounts standing to the credit of the Accounts (in relation to the principal component only) shall be at least equal to, or higher than, the aggregate notional amount of all outstanding Series of Covered Bonds (the **Nominal Value Test**);

(b) the net present value of the Eligible Cover Pool (net of the transaction costs borne in relation to the Programme, the expected costs and any payments to be made or received by the Guarantor under or in respect of the Swap Agreements), also taking into consideration any principal payment actually received by the Guarantor in respect of the Mortgage Loans and not yet applied under the relevant Priority of Payments, shall be at least equal to, or higher than, the net present value of the outstanding Covered Bonds (the **NPV Test**);

(c) the amount of interests and other revenues generated by the assets included in the Cover Pool, net of the costs borne in relation to the Programme, shall be at least equal to, or higher than, the interests and costs due by the Issuer under the Covered Bonds, taking also into account any hedging arrangements entered into in relation to the transaction (the **Interest Coverage Test**),

(the tests above are jointly defined as the **Mandatory Tests**).

The Calculation Agent, on the basis of the information provided to it pursuant to the Transaction Documents, shall verify compliance with the Mandatory Tests on each Calculation Date (with reference to the last day of the immediately preceding Collection Period) and on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents.

Prior to the occurrence of an Issuer Event of Default and service of a Notice to Pay, the Nominal Value Test is deemed to be met if the Asset Coverage Test (as defined below) is met. Following the occurrence of an Issuer Event of Default, the Nominal Value Test will be deemed to be met if the Amortisation Test (as defined below) is met.

The calculations performed by the Calculation Agent in respect of the Mandatory Tests will be tested from time to time, and at least half yearly, by the Asset Monitor in accordance with the provisions of the Asset Monitor Agreement.

Asset Coverage Test

Starting from the Issue Date of the first Series of Covered Bonds and until the earlier of:

(a) the date on which all Series of Covered Bonds issued in the context of the Programme have been cancelled or redeemed in full in accordance with the Conditions and the relevant Final Terms;

(b) the date on which a Notice to Pay is served on the Guarantor, the Seller and the Issuer undertake to procure that on any Calculation Date and/or on any other date on which the Tests are to be performed under the Transaction Documents, as the case may be, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds (the **Asset Coverage Test**, and together with the Mandatory Tests, collectively, the **Tests**).

For the purpose of calculating the Asset Coverage Test, **Adjusted Aggregate Loan Amount** means an amount equal to

A+B+C+D-Y-Z-W

Where

A is equal to the lower of (i) and (ii),

where:

(i) means the sum of the **LTV Adjusted Principal Balance** of each Mortgage Loan in the Cover Pool, which shall be the lower of (1) the actual Outstanding Principal Balance of the relevant Mortgage Loan in the Cover Pool as calculated on the last day of the immediately preceding Collection Period, and (2) the Latest Valuation relating to that Mortgage Loan multiplied by M (where (a) for all Mortgage Loans that are less than three months in arrears or not in arrears, M = 80 per cent.; (b) M=60 per cent. for all Mortgage Loans that are more than three but less than six months in arrears, (c) M=40 per cent. for all Delinquent Receivables; and (d) M=0 per cent. for all Defaulted Receivables and (f) M=40 per cent. for all Renegotiated Loans)

minus

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Cover Pool if any of the following occurred during the immediately preceding Collection Period:

(a) a Mortgage Loan was, in the immediately preceding Collection Period, in breach of the representations and warranties contained in the Warranty and Indemnity Agreement and the Seller has not indemnified the Guarantor to the extent required by the terms of the Warranty and Indemnity Agreement (any such Mortgage Loan an **Affected Loan**). In this event, the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Cover Pool (as calculated on the last day of the immediately preceding Collection Period) will be deemed to be reduced by an amount equal to the LTV Adjusted Principal Balance of the relevant Affected Loan or Affected Loans (as calculated on the last day of the immediately preceding Collection Period); and/or

(b) the Seller, in any preceding Collection Period, was in breach of any other material warranty under the Master Transfer Agreement and/or such Servicer was, in any preceding Collection Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Principal Balance of the Mortgage Loans in the Cover Pool (as calculated on the last day of the immediately preceding Collection Period) will be deemed to be reduced, by an amount equal to the resulting financial loss incurred by the Guarantor in the immediately preceding Collection Period (such financial loss to be calculated by the Calculation Agent without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Seller to indemnify the Guarantor for such financial loss) (any such loss a **Breach Related Loss**);

AND

(ii) means the aggregate **Asset Percentage Adjusted Principal Balance** of the Mortgage Loans in the Cover Pool minus the aggregate sum of any Breach Related Losses occurred during the previous Collection Period calculated as described under (i)(b) above. In relation to each Mortgage Loan the Asset Percentage Adjusted Principal Balance shall be the Asset Percentage (defined below) multiplied by {(the lower of (1) and (2)) minus (3)}, where:

(1) the actual Outstanding Principal Balance of the relevant Mortgage Loan as calculated on the last day of the immediately preceding Collection Period;

(2) the Latest Valuation relating to that Mortgage Loan multiplied by N (where N = 1 for all Mortgage Loans that are less than three months in arrears or not in arrears, N = 60 per cent. for all Mortgage Loans that are more than three but less than six months in arrears, N = 40 per cent. for all Delinquent Receivables, N = 0 per cent. for all Defaulted Receivables and N =40 per cent. for all Renegotiated Loans);

(3) the Asset Percentage Adjusted Principal Balance of the relevant Mortgage Loan if it is deemed to be an Affected Loan.

B is equal to the aggregate of the amounts standing to the credit of the Accounts at the end of the immediately preceding Collection Period which have not been applied as at the relevant Calculation Date to acquire further Receivables or otherwise applied in accordance with the relevant Priority of Payments;

C is equal to the aggregate Outstanding Principal Balance of any Integration Assets (excluded those already accounted for under item B above) and/or Eligible Investments as at the end of the previous Collection Period;

D is equal to the aggregate Outstanding Principal Balance of any Public Assets and ABS as at the end of the immediately preceding Collection Period, which will be reduced by a percentage based on a methodology commensurate with the then-current ratings of the Covered Bonds;

Y is equal to the Potential Set-Off Amount;

Z is equal to the weighted average remaining maturity of all Covered Bonds then outstanding multiplied by the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor, and

W is equal to the Potential Commingling Amount.

Potential Commingling Amount means (i) nil, if the Issuer's short term rating is at least P1 by Moody's otherwise (ii) 0,8% of the aggregate Outstanding Principal Balance of the Cover Pool, provided that if the Issuer's short term rating assigned by Moody's falls below P-2, the "Potential Commingling Amount" shall be credited in the Reserve Account. The Potential Commingling Amount will be equal to the maximum expected monthly collections of the Eligible Cover Pool in the upcoming 12 months plus 0,10% buffer and updated on a quarterly basis according to Moody's methodology and after any transfer of Loan Receivables.

Eligible Institution means any depository institution organised under the laws of any State which is a member of the European Union or of the United States (to the extent that United States are a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardized approach) and enabled to carry out banking activity in Italy:

a) whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-3" by Moody's, or long-term deposit rating are rated at least "Baa3" by Moody's, or such other rating as may from time to time comply with Moody's criteria, provided that, with respect to DB S.p.A., it shall be deemed to be an Eligible Institution if: (i) the rating requirements set out under this paragraph (a) above are met in respect of its controlling parent company, being DB AG; and (ii) the shareholding interest held in it by its controlling parent company does not fall below 90 per cent.; or

b) whose obligations under the Transaction Documents to which it is a party are guaranteed by an entity whose short-term counterparty risk assessment is at least "P-3" by Moody's or long-term counterparty risk assessment is at least "Baa3" by Moody's.

Potential Set-Off Amounts means (i) nil, if the Issuer's short term unsecured and unsubordinated debt rating is at least P1 by Moody's, or otherwise (ii) the aggregate Outstanding Principal Balance of the Cover Pool that could potentially be lost as a result of the relevant Debtors exercising their set-off rights, and which in any case will never be lower than the Set-Off Exposure. Such amount will be calculated by the Calculation Agent on each Calculation Date and/or any other date on which the Tests must be carried out pursuant to the provisions of the Cover Pool Administration Agreement and any other Transaction Documents, as the case may be, except when the Issuer's short term rating is at least P1 by Moody's. The Potential Set-Off Amount will be updated at least on a quarterly basis and after any transfer of Receivables to the Guarantor.

Set-Off Exposure means in respect of each Debtor and as at any Calculation Date and/or on any other date on which the Asset Coverage Test is to be performed under the Transaction Documents, as the case may be, the lower of:

(i) the greater of (a) the lower of (1) the aggregate amount of cash multiplied by (1-15%) and certificates of deposit, deposited by the Debtor with the Seller at the Transfer Date of the relevant Mortgage Loan and (2) the aggregate amount of cash multiplied by (1-15%) and certificates of deposit deposited by the Debtor with the Seller as at the relevant date minus the Deposit Compensation and (b) zero; and

(ii) the aggregate of the Outstanding Principal Balance of the relevant Mortgage Loans at the immediately preceding Collection Period.

Defaulted Receivables (*Crediti in Sofferenza*) means (i) receivables classified as defaulted in accordance with the provisions of the Bank of Italy supervisory regulation (*Istruzioni di Viglilanza della Banca d'Italia*) and (ii) receivables having at least eight (8) unpaid instalments.

Delinquent Receivables (*Crediti ad Incaglio*) means receivables having at least six (6) unpaid instalments.

Deposit Compensation means in respect of each Debtor and as at any Calculation Date and/or on any other date on which the Asset Coverage Test is to be performed under the Transaction Documents, as the case may be, the lower of:

(i) the greater of (a) the lower of (1) the aggregate amount of cash multiplied by (1-15%) and certificates of deposit deposited by the Debtor with the Seller at the Transfer Date of the relevant Mortgage Loan and (2) the aggregate amount of cash multiplied by (1-15%) and, certificates of deposit deposited by the Debtor with the Seller as at the relevant date minus an amount equal to the instalments due and paid under the relevant Mortgage Loan during the immediately preceding two months, and (b) zero; and

(ii) the Compensation Threshold.

Compensation Threshold means Euro 100,000.00 or the amount deemed appropriate according to Moody's methodology.

Negative Carry Factor means a percentage calculated by reference to the weighted average margin of the Covered Bonds and will, in any event, be not less than 0.50 per cent.

Renegotiated Loan means a Mortgage Loan included in the Cover Pool whose relevant borrower has requested a suspension of payment pursuant to the Decree of the Ministry of Finance of 25 February 2009 implementing Legislative Decree no. 185 of 29 November 2008, as converted into law through Law no. 2 of 28 January 2009, or under the renegotiation scheme for distressed borrowers signed by the Italian Banks Association (ABI) on 18 December 2009, during the suspension period or whose relevant borrower has requested a renegotiation in accordance with Law Decree no. 70 of 13 May 2011, or any other suspension of payment provided for by law or by agreement with the Seller, provided that the suspension of payment period is still ongoing at the Evaluation Date of the relevant portfolio of receivables transferred to the Guarantor.

Asset Percentage on any Calculation Date and/or on each other day on which the relevant Test is to be carried out pursuant to the provisions of the Cover Pool Administration Agreement and the other Transaction Documents, as the case may be, shall be the lower of (i) 93%; (ii) such other percentage figure as determined by the Issuer on behalf of the Guarantor (after procuring the required level of overcollateralisation); and (iii) such other percentage figure as might be set out in the Italian legislative provision that shall be enacted in order to implement the 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 regulation, and notified using the *pro forma* notice attached under Schedule 3 (*Notice of the Asset Percentage*) of this Agreement, to the Representative of the Covered Bondholders, the Servicer, the Calculation Agent and the Asset Monitor. Any adjustment of the Asset Percentage, from that previously notified, will appear from the relevant Investor Report as the new Asset Percentage as determined in accordance with the Cover Pool Administration Agreement.

The Asset Percentage will be published on the Investor Report to be delivered by the Calculation Agent pursuant to the provisions of the Cash Management and Agency Agreement.

The Amortisation Test

For so long as the Covered Bonds remain outstanding, the Seller and the Issuer will ensure that on each Calculation Date following the occurrence of an Issuer Event of Default and the service of a Notice to Pay (but prior to the service of an Acceleration Notice following the occurrence of a Guarantor Event of Default), the Amortisation Test Aggregate Loan Amount is equal to or higher than the Principal Amount Outstanding of the Covered Bonds (the **Amortisation Test**).

For the purpose of calculating the Amortisation Test the **Amortisation Test Aggregate Loan Amount** means an amount equal to A+B+C+D-Z

Where:

A is the lower of:

(a) the actual Outstanding Principal Balance of each Mortgage Loan as calculated on the last day of the immediately preceding Collection Period multiplied by M; and

(b) the Latest Valuation multiplied by M, where: for all the Mortgage Loans that are less than three months in arrears or not in arrears M = 100% for all the Mortgage Loans that are more than three but less than six months in arrears M=90% for all the Delinquent Receivables M = 85% and or for all the Defaulted Receivables M = 70%;

B is equal to the aggregate of the amounts standing to the credit of the Accounts at the end of the immediately preceding Collection Period which have not been applied as at the relevant Calculation Date to acquire further Receivables or otherwise applied in accordance with the relevant Priority of Payments;

C is the aggregate outstanding principal balance of any Integration Assets (excluded those already accounted for under item B above) and/or Eligible Investments as at the end of the immediately preceding Collection Period;

D is the aggregate outstanding principal balance of any Public Assets and ABS as at the end of the immediately preceding Collection Period, which will be reduced by a percentage based on a methodology deemed commensurate with the then-current ratings of the Covered Bonds; and

Z is the weighted average remaining maturity of all Covered Bonds then outstanding multiplied by the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor.

The Calculation Agent shall verify compliance with the Amortisation Test and the Mandatory Tests on each Calculation Date following the occurrence of an Issuer Event of Default and the service of a Notice to Pay (but prior to the service of an Acceleration Notice following the occurrence of a Guarantor Event of Default) and on any other date on which the verification of the Amortisation Test and the Mandatory Tests is required pursuant to the Transaction Documents and shall inform the Representative of the Covered Bondholders if a breach of the Amortisation Test and the Mandatory Test has occurred.

For the purposes of verification of the Amortisation Test and the Mandatory Tests, the Nominal Value Test is deemed to be met if the Amortisation Test is met.

If a breach of the Amortisation Test, or of the Mandatory Tests, occurs then a Guarantor Event of Default shall occur and, upon being notified of the same time, the Representative of the Covered Bondholders will serve an Acceleration Notice to the Guarantor declaring that a Guarantor Event of Default has occurred, unless an Extraordinary Resolution is passed resolving otherwise.

Required Reserve Amount

Required Reserve Amount means, if the Issuer's short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, nil or such other amount as the Issuer shall direct the Guarantor from time to time and otherwise, an amount which will be determined on each Payment Report Date and which will be equal to one-third of the estimate of the quarterly amount payable under items from (i) to (v) of the Pre-Issuer Event of Default Interest Priority of Payment at the following Payment Report Date.

ACCOUNTS AND CASH FLOWS

The following accounts shall be established and maintained with the Account Bank, or, as for the Quota Capital Account, with any other bank as may be appointed pursuant to the Transaction Documents, as separate accounts in the name of the Guarantor. Find below a description of the deposits and withdrawals in respect of the accounts:

(a) The **Expense Account**

(i) **Payments into the Expense Account.** (A) On the Initial Issue Date the Expense Required Amount will be credited on the Expense Account; and (B) on each Guarantor Payment Date monies will be credited to the Expense Account in accordance with the applicable Priority of Payments until the balance of such account equals the Expense Required Amount;

(ii) **Withdrawals from the Expense Account.** (A) the Account Bank will use the funds standing to the credit of the Expense Account to make payments relating to any and all documented fees, costs, expenses and taxes required to be paid pursuant to the instructions of the Corporate Servicer; and (B) at the end of any Collection Period, the interest accrued on the credit balance of the Expense Account, if any, will be transferred to the Transaction Account.

(b) The **Quota Capital Account**

Payments into the Quota Capital Account. All the capital contributions of each quotaholder in the Guarantor and any interest accrued thereon are credited to the Quota Capital Account.

(c) The **Reserve Account**

(i) **Payments into the Reserve Account.** On each Guarantor Payment Date the Reserve Account will be credited with the proceeds of Interest Available Funds according to the Pre-Issuer Event of Default Interest Priority of Payments for the purpose of setting aside, on each Guarantor Payment Date, the relevant Required Reserve Amount.

(ii) **Withdrawals from the Reserve Account.**

(A) On each Guarantor Payment Date, prior to the service of a Notice to Pay, the funds standing to the credit of the Reserve Account in excess of the Required Reserve Amount will be applied by the Cash Manager as Interest Available Funds according to the Pre-Issuer Event of Default Interest Priority of Payments.

(B) Following the service of a Notice to Pay, the Guarantor will apply the funds standing to the Reserve Account according to the Post-Issuer Event of Default Priority of Payments.

(C) At the end of any Collection Period, the interest accrued on the credit balance of the Reserve Account, if any, will be transferred to the Transaction Account.

(d) The **Investment Account**

(i) **Payments into the Investment Account.** An account on which (i) amounts standing to the credit of the Transaction Account will be deposited and (ii) on each Liquidation Date, by 17.00 (Italian time), the proceeds of the liquidation of the amounts invested in the Eligible Investments, if any, during the preceding Collection Period, will be credited.

(ii) **Withdrawals from the Investment Account.**

(A) The funds standing to the credit of the Investment Account (if any) will be used to make Eligible Investments in accordance with Clause 6 (Duties of the Cash Manager) of the Cash Management and Agency Agreement; and

(B) at the end of any Collection Period, the interest accrued on the credit balance of the Investment Account and the proceeds of the liquidation of the amounts invested in the Eligible Investments during the preceding Collection Period, if any, will be transferred to the Transaction Account.

(e) The **Securities Account**

(i) **Payments into the Securities Account.** Securities Account may be opened in the future, on such term to be agreed between the parties from time to time, on which all securities constituting Eligible Investments purchased by the Account Bank with the amounts standing to the credit of the Investment Account, pursuant to any order of the Cash Manager, and all Eligible Assets and Integration Assets consisting of securities will be deposited.

(ii) **Withdrawals from the Securities Account**. (A) On each Liquidation Date, the Eligible Investments standing to the credit of the Securities Account will be liquidated and proceeds credited to the Investment Account; and (B) the Eligible Assets and Integration Assets consisting of securities will be liquidated in accordance with the Cover Pool Administration Agreement and proceeds credited to the Investment Account promptly upon liquidation; and (C) at the end of any Collection Period, the interest accrued on the investments standing to the credit balance of the Securities Account, if any, will be transferred to the Investment Account.

(f) The **Transaction Account**

(i) Payments into the Transaction Account.

(A) On a daily basis by the end of the Business Day immediately following the relevant date of receipt, any principal and interest payment in relation to the Eligible Assets and/or Integration Assets part of the Cover Pool received by the Servicer pursuant to the Servicing Agreement, will be deposited into the Transaction Account;

(B) 3 (three) Business Days prior to each Guarantor Payment Date, any amounts whatsoever received by or on behalf of the Guarantor pursuant to the Swap Agreements will be credited to the Transaction Account, except for collateral to be credited to the Collateral Account, if any;

(C) all other amounts paid to the Guarantor under any of the Transaction Documents including - for the avoidance of doubt – any indemnity paid by the Seller in accordance with the Warranty and Indemnity Agreement will be credited to the Transaction Account;

(D) the proceeds of any advances made to the Guarantor under the Subordinated Loan Agreement will be paid on the Transaction Account;

(E) at the end of any Collection Period, the proceeds of the liquidation of the amounts invested in the Eligible Investments during the preceding Collection Period, if any, will be transferred to the Transaction Account;

(F) any interest accrued on any of the Accounts (except as otherwise provided under the Cash Management abd Agency Agreement).

(ii) Withdrawals from the Transaction Account.

(A) on each Guarantor Payment Date, the Cash Manager will, no later than 17.00 (Italian time), make those payments as are indicated in the relevant Payments Report;

(B) on each Guarantor Payment Date, the Cash Manager will, no later than 17.00 (Italian time), on behalf of the Guarantor, subject to the availability of sufficient Available Funds and in accordance with the Payments Report, transfer from the Transaction Account to the Expense Account, the amounts necessary to replenish the Expense Account up to the Expense Required Amount;

(C) the Account Bank will transfer from the Transaction Account to the Investment Account (if any), upon instruction of the Cash Manager, all or part of the funds credited on, and standing to the credit of, the Transaction Account on the relevant Investment Date;

(D) the proceeds of any advances made to the Guarantor under the Subordinated Loan Agreement will be applied to acquire the Initial Receivables and/or Subsequent Receivables and/or invest in Integration Assets pursuant to the provisions of the Master Transfer Agreement;

(E) No later than 9.00 (Italian time), two Business Day prior to each Guarantor Payment Date falling after an Issuer Event of Default and delivery of a Notice to Pay but prior to a Guarantor Event of Default and delivery of an Acceleration Notice, the Cash Manager will transfer to the Italian Paying Agent the amounts necessary to execute payments of interests and principal due in relation to the outstanding Covered Bonds.

(g) **The Collateral Account**

The Collateral Account has been opened pursuant to the provisions of the Intercreditor Agreement. The funds standing to the credit of the Collateral Account (if any) will not form part of the Available Funds.

The Securities Account (if any), the Investment Account, the Reserve Account, the Transaction Account, the Expense Account and the Collateral Account, if any, are jointly referred to as the **Accounts**.

No payment may be made out of the Accounts which would thereby cause or result in any such account becoming overdrawn.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Master Transfer Agreement

Pursuant to a master transfer agreement entered into between the Seller and the Guarantor, dated on or about the Initial Issue Date (the **Master Transfer Agreement**), the Seller transferred without recourse (*pro soluto*) and with economic effects from and including the relevant Evaluation Date an initial portfolio of receivables to the Guarantor (the **Initial Receivables**) and the Seller will transfer without recourse (*pro soluto*) from time to time and on a revolving basis, further portfolios of Receivables (the **Subsequent Receivables**), in the cases and subject to the limits for the transfer of further Eligible Assets and/or Integration Assets.

The portfolios to be transferred to the Guarantor according to the Master Transfer Agreement, will consists, from time to time, of receivables arising from:

(a) Italian residential mortgage loans (*mutui ipotecari residenziali*) pursuant to Article 2, paragraph 1, lett. (a) of the MEF Decree (the "**Mortgage Loans**");

(b) loans granted to, or guaranteed by, and securities issued by, or guaranteed by, the entities indicated in Article 2, paragraph 1, lett. (c) of the MEF Decree (the "**Public Assets**"); and

(c) securities issued in the framework of securitisations having as underlying assets Mortgage Loans or Public Assets, pursuant to Article 2, paragraph 1, lett. (d) of the MEF Decree (the "**ABS**").

The ABS, the Mortgage Loans and the Public Assets are jointly defined as the **Eligible Assets**.

Evaluation Date means: (i) in respect of the Initial Receivables transferred by the Seller, the date indicated as such in the Master Transfer Agreement and (ii) in respect of any of the Subsequent Receivables, the date indicated as such in the relevant offer for Subsequent Receivables.

Purchase Price

The purchase price payable for the Initial Receivables has been determined and the Purchase Price for the Subsequent Receivables will be determined pursuant to the provisions of the Master Transfer Agreement.

The Initial Receivables

The Initial Receivables, originated by the Seller and to be transferred to the Guarantor according to the Master Transfer Agreement, consist of receivables arising from Mortgage Loans only.

The Subsequent Receivables

In accordance with the Master Transfer Agreement and the Cover Pool Administration Agreement, the Seller may (or, in order to prevent or to cure a breach of the Mandatory Tests and the other tests provided for in the transaction documents, shall) transfer further Eligible Assets and/or Integration Assets (as defined below) in the following circumstances:

(a) to issue further series or tranches of Covered Bonds, subject to the limits to the assignment of further Eligible Assets set forth by the BoI Regulations (the **Issuance Assignments**); or

(b) to purchase further Eligible Assets in order to invest the Principal Available Funds deriving from Eligible Assets in accordance with the relevant Priority of Payments, (the **Eligible Assets Revolving Assignments**);

(c) purchase further Integration Assets and/or Eligible Assets in order to invest Principal Available Funds deriving from Integration Assets in accordance with the relevant Priority of Payments (the **Integration Assets Revolving Assignments** and together with the Eligible Assets Revolving Assignments, the **Revolving Assignment**), or

(d) to ensure compliance with the Mandatory Tests and the other tests provided for in the transaction documents (the **Integration Assignment**).

The Integration Assignment

The integration of the Cover Pool (whether through Integration Assets or Eligible Assets) shall be allowed solely for the purpose of complying with the Mandatory Test and the other tests provided for in the Transaction Documents or in view of meeting the Integration Assets Limit (as defined below) within the Cover Pool.

The integration of the Cover Pool shall be carried out through the Integration Assets provided that, the Integration Assets, prior to the occurrence of an Issuer Event of Default, shall not be, at any time, higher than 15% of the aggregate outstanding principal amount of the Cover Pool (the **Integration Assets Limit**), except where such Integration Assets are necessary for the repayment of the outstanding Covered Bonds.

Integration Assets means the assets mentioned in article 2, paragraph 3, point 2 and 3, of the MEF Decree consisting of (a) deposits held with banks which (i) have their registered office in an Eligible State or in a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and (ii) qualify as Eligible Institutions; and (b) securities issued by banks indicated in item (a) above having residual maturity not greater than one year.

Further Assignments

Each Subsequent Receivable shall be exclusively composed of Eligible Assets and/or Integration Assets, which comply with the general criteria indicated in the Annex 1 to the Master Transfer Agreement (the **General Criteria**) and, if applicable in relation to the relevant transfer, the Specific Criteria attached to the relevant offer for sale sent by the Seller to the Guarantor in accordance with the provisions of the Master Transfer Agreement, provided that, pursuant to the applicable law, total Integration Assets shall not exceed the Integration Assets Limit.

The obligation of the Guarantor to purchase any Subsequent Receivables shall be:

(a) conditional upon, for the carrying out of Revolving Assignments, (i) the existence of Principal Available Funds in accordance with the Pre-Issuer Event of Default Principal

Priority of Payments and (ii) a breach of the Asset Coverage Test and of the Mandatory Tests does not occur after such assignment; and

(b) for the carrying out of Issuance Assignments and of the Integration Assignments, the funding of the requested amounts under the relevant Subordinated Loan, unless, with reference to the Integration Assignments, for the satisfaction of the Asset Coverage Test and of the Mandatory Tests through the purchase of further Eligible Assets, the use of Available Funds in accordance with the applicable Priority of Payments can suffice.

Price Adjustments

The Master Transfer Agreement provides a price adjustment mechanism pursuant to which:

(a) if, following the relevant effective date, any Receivable which is part of the Initial Receivables or of the Subsequent Receivables does not meet the Criteria, then such Receivable will be deemed not to have been assigned and transferred to the Guarantor pursuant to the Master Transfer Agreement;

(b) if, following the relevant effective date, any Receivable which meets the Criteria but it is not part of the Initial Receivables or of the Subsequent Receivables, then such Receivable shall be deemed to have been assigned and transferred to the Guarantor as of the Transfer Date of the relevant Receivables, pursuant to the Master Transfer Agreement.

Repurchase of receivables and Pre-emption right

The Seller is granted with an option right, pursuant to article 1331 of Italian Civil Code, to repurchase the Receivables assigned by it, also in different tranches, in accordance with the terms and conditions set out in the Master Transfer Agreement.

According to Article 11 of the Master Transfer Agreement, the Seller is granted a pre-emption right to repurchase the Receivables respectively assigned by it to be sold by the Guarantor to third parties, at the same terms and conditions provided for such third parties.

Substitution of the Eligible Assets and the Integration Assets

Further to the relevant effective date, the Seller will have the option to repurchase from the Guarantor without recourse (*pro soluto*) further portfolios of receivables arising from the Eligible Assets, in accordance with the BoI Regulations.

Termination of the Guarantor's obligation to purchase and termination of the agreement

Pursuant to the Master Transfer Agreement, the obligation of the Guarantor to purchase Subsequent Receivables from the Seller shall terminate upon the occurrence of any of the following: (a) the Programme Termination Date has occurred; (b) an Issuer Event of Default has occurred, other than those set out under the subsequent points, among those expressly indicated in the Conditions; (c) a change in law and regulations which has made the issue of Covered Bonds impossible or less convenient, both from an economic and commercial point of view, for the parties; (d) a breach of material obligations of the Seller pursuant to the Transaction Documents has occurred, in the event such breach is not cured within the period specified in the Master Transfer Agreement, or it is otherwise not curable; (e) any material breach of the Seller's representations and warranties given in any of the Transaction Documents and such breach has an adverse effect on the Programme; (f) a Seller's material adverse change has occurred and the Representative of the Covered Bondholders has communicated it to the Guarantor; (g) winding up of the Seller, or opening of other bankruptcy or insolvency proceeding with respect to the Seller; (h) the whole or any substantial part of the undertaking or assets of the Seller are subject to a *pignoramento* or any procedure having a similar effect; (i) the Seller takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors 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; (j) an effective resolution is passed for the winding-up, liquidation or dissolution in any form of the Seller (k) a change of control of the Seller and subsequent exit of the Seller from the Deutsche Bank Group; (l) the Seller being submitted to inspections or sanctions by the competent regulatory and supervisory authorities or the commencement of a judicial proceeding which may cause the occurrence of a material adverse change of the Seller.

Following the occurrence of one of the events described above, the Guarantor shall no longer be obliged to purchase Subsequent Receivables save for the provisions contained in the Master Transfer Agreement in relation to the Integration Assignment.

Undertakings

The Master Transfer Agreement also contains a number of undertakings by the Seller in respect of its activities in relation to the Receivables. The Seller have undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Seller also have undertaken to refrain from any action which could cause any of the Receivables to become invalid or to cause a reduction in the amount of any of the Receivables or the Covered Bond Guarantee. The Master Transfer Agreement also provides that the Seller shall waive any set off rights in respect of the Receivables, and co-operate actively with the Guarantor in any activity concerning the Receivables.

Governing Law

The Master Transfer Agreement is governed by Italian Law.

Warranty and Indemnity Agreement

Pursuant to a warranty and indemnity agreement entered into between the Seller and the Guarantor, also in favour of the Representative of the Covered Bondholders, dated on or about the Initial Issue Date (the **Warranty and Indemnity Agreement**), the Seller made certain representations and warranties to the Guarantor in respect of the portfolio assigned by it.

Specifically, as of the date of execution of the Master Transfer Agreement, as of each Evaluation Date, as of each Transfer Date and as of each Issue Date, the Seller gives to the Guarantor, *inter alia*, representations and warranties about: (a) its status and powers, (b) the information and the documents provided to the Guarantor, (c) its legal title on the Receivables, (d) the status of the Receivables assigned by it, (e) the terms and conditions of the Receivables assigned by it.

Pursuant to the Warranty and Indemnity Agreement, the Seller undertakes to fully and promptly indemnify and hold harmless the Guarantor and the Representative of the Covered Bondholders, from and against any and all damages, losses, claims, liabilities, costs and expenses duly documented (including, without limitation, reasonable attorney's fees and disbursements and any value added tax and other tax thereon as well as any claim for damages by third parties) awarded against, or incurred by, any of them, arising from any representations and/or warranties made by the Seller under the Warranty and Indemnity Agreement being actually false, incomplete or incorrect and/or failure by the Seller to perform any of the obligations and undertakings assumed by the Seller under the Transaction Documents.

Without prejudice of the foregoing, the Seller has further undertaken that, if any claim does not exist, in whole or in part, (including where such non existence is based only on a judicial pronouncement that is not definitive), the Seller shall immediately pay the Guarantor any damage, costs, expenses incurred by the Guarantor. In the event that, thereafter, any definitive judicial pronouncement recognises that such claim exists, the Guarantor shall repay the amounts mentioned above received by the Seller on the immediately subsequent Guarantor Payment Date, in accordance with the relevant Priorities of Payments.

Governing Law

The Warranty and Indemnity Agreement is governed by Italian Law.

Subordinated Loan Agreement

Pursuant to a subordinated loan agreement entered into between the Seller and the Guarantor, dated on or about the Initial Issue Date (the **Subordinated Loan Agreement**), the Seller will grant to the Guarantor a subordinated loan (the **Subordinated Loan**) with a maximum individual amount not higher than the Commitment Limit. Under the provisions of the Subordinated Loan Agreement, the Seller shall make advances to the Guarantor in amounts equal to the purchase price of the Receivables transferred from time to time to the Guarantor in view of (a) collateralising the issue of further Covered Bonds or (b) carrying out an integration of the Cover Pool, whether through Eligible Assets or through Integration Assets, in order to prevent a breach of the Mandatory Tests and of the other tests provided for in the Transaction Documents.

Each advance granted by the Seller pursuant to the Subordinated Loan Agreement shall be identified in two separate tranches (a) advances under the first tranche, related to the issue of Covered Bonds, i.e. in order to fund the purchase price of Receivables to be sold in the framework of an Issuance Assignment (the **Issuance Advances**); and (b) advances under the second tranche, for the purpose of purchasing further Eligible Assets and/or Integration Assets in the framework of an Integration Assignment (the **Integration Advances**).

The Guarantor shall pay any amounts interests due under the Subordinated Loan on each Guarantor Payment Date in accordance with the relevant Priorities of Payments.

The Issuance Advances shall be remunerated by way of:

(a) the Base Interests (*Interessi Base*); and

(b) the Premium Interests (*Interessi Aggiuntivi*).

The Integration Advances shall be remunerated only by way of the Premium Interests (*Interessi Aggiuntivi*).

The Issuance Advances shall be due for repayment on the date that matches the maturity date of the corresponding series or tranche of Covered Bonds, and shall be payable within the limits of the Available Funds and in accordance with the relevant Priority of Payments.

Pursuant to the provisions of article 7.2 and 7.3 of the Subordinated Loan Agreement, the Integration Advances shall be due for repayment on the date that matches the maturity date of the Series or Tranche of Covered Bonds with the longer maturity.

Notwithstanding the above, upon receipt by the Guarantor of a request from the Seller (la *Richiesta di Rimborso Anticipato degli Utilizzi*), the Issuance Advances and the Integration Advances shall be repaid in advance by the Guarantor in accordance with the relevant Priority of Payments, provided that such repayment does not result in a breach of any of the Tests.

Main Definitions

For the purposes of the Subordinated Loan Agreement:

Base Interests means the interest rate equal to 0,00002 per cent.

Premium Interests means:

(a) prior to the occurrence of an Issuer Event of Default, an amount equal to the higher between 0 (zero) and the algebraic sum of:

    (i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

    (ii) (-) the sum of any amount due under items from (i) to (x) of the Pre-Issuer Event of Default Interest Priority of Payment;

    or

(b) following to the occurrence of an Issuer Event of Default, an amount equal to the higher between 0 (zero) and the algebraic sum of:

    (i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

    (ii) (-) the sum of any amount due in respect of interests under items from (i) to (v) of the Post Issuer Event of Default Priority of Payments;

    or

(c) following the occurrence of a Guarantor Event of Default an amount equal to the higher between 0 (zero) and the algebraic sum of:

    (i) (+) the amounts of interests received or matured in respect of the Cover Pool and the Swap Agreements during the Collection Period which immediately precedes the relevant Payment Report Date;

    (ii) (-) the sum of any amount due in respect of interests under items from (i) to (iv) of the Post Guarantor Event of Default Priority of Payments.

The Premium Interests will be calculated, *pro rata* and *pari passu*, across all advances outstanding under the Subordinated Loan.

Governing Law

The Subordinated Loan Agreement is governed by Italian law.

Covered Bond Guarantee

The Guarantor issued a guarantee securing the payment obligations of the Issuer under the Covered Bonds up to the Maximum Guaranteed Amount according to an agreement entered into on or about the Initial Issue Date between the Issuer, the Guarantor and the Representative of the Covered Bondholders (the **Covered Bond Guarantee**) and in accordance with the provisions of the Law 130 and of the MEF Decree.

Under the terms of the Covered Bond Guarantee, following the occurrence of an Issuer Event of Default, and service of a Notice of Pay on the Guarantor, but prior to the occurrence of a Guarantor Event of Default, the Guarantor has agreed to pay, or procure to be paid, unconditionally and irrevocably to, or to the order of, the Representative of the Covered Bondholders (for the benefit of the Covered Bondholders), any amounts due under the relevant Series or Tranche of Covered Bonds on the Due for Payment Date.

Pursuant to Article 7-*bis*, paragraph 1, of Law 130 and Article 4 of the MEF Decree, the guarantee provided under the Covered Bond Guarantee is a first demand, unconditional and independent guarantee (*garanzia autonoma*) and therefore provides for direct and independent obligations of the Guarantor *vis-à-vis* the Covered Bondholders. The obligation of payment under the Covered Bond Guarantee shall be an unconditional obligation of the Guarantor, at first demand (*a prima richiesta*), irrevocable (*irrevocabile*) and with limited recourse to the Available Funds, irrespective of any invalidity, irregularity or unenforceability of any of the obligations of the Issuer under the Covered Bonds. The provisions of the Italian Civil Code relating to the "*fideiussione*" set forth in articles 1939 (*Validità della fideiussione*), 1941, paragraph 1 (*Limiti della fideiussione*), 1944, paragraph 2 (*Escussione preventiva*), 1945 (*Eccezioni opponibili dal fideiussore*), 1955 (*Liberazione del fideiussore per fatto del creditore*), 1956 (*Liberazione del fideiussore per obbligazione futura*) and 1957 (*Scadenza dell'obbligazione principale*) shall not apply to the Covered Bond Guarantee.

Following the occurrence of a Guarantor Event of Default and the service, by the Representative of the Covered Bondholders, of an Acceleration Notice in respect of all Covered Bonds, which shall become immediately due and repayable, the Guarantor shall pay or procure to be paid on the Due for Payment Date to the Covered Bondholders, the Guaranteed Amounts for all outstanding Covered Bonds.

Following service of a Notice to Pay on the Guarantor, but prior to the occurrence of a Guarantor Event of Default, payment by the Guarantor of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made, subject to and in accordance with the Post-Issuer Event of Default Priority of Payments, on the relevant Due for Payment Date, provided that, if an Extended Maturity Date is provided under the relevant Final Terms and actually applied, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the Guarantor on any Scheduled Payment Date thereafter, up to (and including) the relevant Extended Maturity Date.

Following service of an Acceleration Notice all Covered Bonds will accelerate against the Guarantor, becoming due and payable, and they will rank *pari passu* amongst themselves and the Available Funds shall be applied in accordance with the Post-Guarantor Event of Default Priority of Payment.

All payments of Guaranteed Amounts by or on behalf of the Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature unless such withholding or deduction of such taxes, assessments or other governmental charges are required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the Guarantor will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The Guarantor will not be obliged to pay any amount to any Covered Bondholder in respect of the amount of such withholding or deduction, regardless of any such obligation of the Issuer.

Exercise of rights

Following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the Guarantor, but prior to the occurrence of any Guarantor Event of Default, the Guarantor, in accordance with the provisions set forth under the Covered Bond Guarantee and with the provisions of Article 4, paragraph 3, of the MEF Decree, shall substitute the Issuer in all obligations of the Issuer towards the Covered Bondholders in accordance with the Conditions and the Final Terms, so that the rights of payment of the Covered Bondholders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the Guarantor on the Due for Payment Date. In consideration of the substitution of the Guarantor in the performance of the payment obligations of the Issuer under the Covered Bonds, the Guarantor (directly or through the Representative of the Covered Bondholders) shall exercise, on an exclusive basis, the right of the Covered Bondholders *vis à vis* the Issuer and any amount recovered from the Issuer will be part of the Available Funds.

As a consequence and as expressly indicated in the Conditions, the Covered Bondholders have irrevocably delegated to the Guarantor (also in the interest and for the benefit of the Guarantor) the exclusive right to proceed against the Issuer to enforce the performance of any of the payment obligations of the Issuer under the Covered Bonds including any rights of enforcing any acceleration of payment provisions provided under the Conditions or under the applicable legislation. For this purpose the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, upon request of the Guarantor, shall provide the Guarantor with any powers of attorney and/or mandates as the latter may deem necessary or expedient for taking all necessary steps to ensure the timely and correct performance of its mandate.

For the purposes of the Covered Bond Guarantee:

Due for Payment Date means (a) a Scheduled Due for Payment Date (as defined below) or (b) following the occurrence of a Guarantor Event of Default, the date on which the Acceleration Notice is served on the Guarantor. If the Due for Payment Date is not a Business Day, Due for Payment Date will be the next following Business Day. For the avoidance of doubt, Due for Payment Date does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due by reason of prepayment, mandatory or optional redemption or otherwise.

Final Redemption Amount means, with respect to a Series or Tranche of Covered Bonds, the amount, as specified in the applicable Final Terms.

Guaranteed Amounts means, (a) prior to the service of an Acceleration Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date, or (b) after the service of an Acceleration Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts and all

Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Issuer under the Covered Bonds, provided that any Guaranteed Amounts representing interest paid after the Maturity Date shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was paid by or on behalf of the Issuer to the Covered Bondholders to the extent it has been clawed back and recovered from the Covered Bondholders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the **Clawed Back Amounts**).

Maximum Guaranteed Amount means an amount equal to the Programme Limit.

Programme Limit means up to Euro 4,000,000,000 (and for this purpose, any Covered Bonds (*Obbligazioni Bancarie Garantite*) denominated in another currency shall be translated into Euro at the date of the agreement to issue such Covered Bonds, and the Euro exchange rate used shall be included in the Final Terms) in aggregate principal amount of Covered Bonds outstanding at any time.

Scheduled Due for Payment Date means:

(a) (i) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, and (ii) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, the day which is two Business Days following service of the Notice to Pay on the Guarantor in respect of such Guaranteed Amounts, if such Notice to Pay has not been served by the relevant Scheduled Payment Date; or

(b) if the applicable Final Terms specified that an Extended Maturity Date is applicable to the relevant series or tranche of Covered Bonds, the CB Payment Date that would have applied if the Maturity Date of such series or tranche of Covered Bonds had been the Extended Maturity Date or such other CB Payment Date(s) as specified in the relevant Final Terms.

Scheduled Interest means the amount in respect of interest which would have been due and payable by the Issuer under the relevant Series or Tranche of Covered Bonds on each CB Payment Date falling on or after service of a Notice to Pay on the Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest: the **Excluded Scheduled Interest Amounts**) but including such Excluded Scheduled Interest Amounts (whenever the same arose) following service of an Acceleration Notice if the Covered Bonds had not become due and repayable prior to their Maturity Date or Extended Maturity Date (if so specified in the relevant Final Terms) or where applicable, after the Maturity Date such other amounts of interest as may be specified in the relevant Final Terms, less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made under the circumstances set out in the Conditions.

Scheduled Payment Date means, in relation to payments under the Covered Bond Guarantee, each CB Payment Date.

Scheduled Principal means the amount in respect of principal which would have been due and payable by the Issuer under the Covered Bonds on each CB Payment Date or the Maturity Date (as the case may be) (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest: the **Excluded Scheduled Principal Amounts**) but including such Excluded Scheduled Principal Amounts (whenever the same arose) following service of an Acceleration Notice if the Covered Bonds had not become due and payable prior to their Maturity Date and, if the Final Terms specifies that an Extended Maturity Date is applicable to relevant Series or Tranche, if the maturity date of such Series or Tranche had been the Extended Maturity Date.

Governing Law

The Covered Bond Guarantee is governed by Italian law.

Servicing Agreement

Pursuant to a servicing agreement entered into between the Servicer and the Guarantor, dated on or about the Initial Issue Date (the **Servicing Agreement**), the Guarantor has appointed DB S.p.A. as Servicer. The Servicer has agreed to administer and service the Receivables respectively transferred by it, on behalf of the Guarantor. Under the Servicing Agreement, the Servicer has agreed to perform certain servicing duties in connection with the Receivables assigned by it, and, in general, has agreed to be responsible for the management of the Receivables assigned by it and for cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*) in accordance with the requirements of the Law 130. The Servicer has agreed to be responsible for verifying the compliance of the transactions with the laws and the Prospectus pursuant to article 2, paragraph 3(c), and 6-*bis* of Law 130 and to provide certain monitoring activities in relation to the Receivables transferred from time to time by the Seller to the Guarantor pursuant to the Master Transfer Agreement.

As consideration for activities performed and reimbursement of expenses, the Servicing Agreement provides that the Servicer will receive certain fees payable by the Guarantor on each Guarantor Payment Date in accordance with the applicable Priorities of Payments.

Servicer's activities

In the context of the appointment, the Servicer has undertaken to perform, on a best effects basis, *inter alia*, the activities specified below in relation to the Receivables transferred from time to time by the Seller to the Guarantor:

(a) to monitor the collection of the Receivables as well as the collection and the payments of any sum by or in favour of the Guarantor and verify that such collection and payments are carried out in accordance with the Transaction Documents, the Prospectus and OBG Regulations;

(b) to keep the "Archivio Unico Informatico" (AUI) on behalf of the Guarantor and perform the activities required in order for the Guarantor to comply with the anti-money laundering legislation and regulations;

(c) to prepare and submit monthly and quarterly reports to the Guarantor, the Corporate Servicer and the Calculation Agent, in the form set out in the Servicing Agreement, containing information as to the Collections made by the Seller in respect of the Receivables during the preceding Collection Period. The reports will provide the main information relating to the Servicer's activity during the period;

(d) to act as responsible for Data processing (*responsabile del trattamento dei dati personali*) as pursuant to article 29 of the Legislative Decree no. 196 of 30 June 2003 (the **Privacy Law**).

In the context of the appointment, the Servicer has also undertaken to perform, with its best diligence, *inter alia*, the activities specified below in relation to the Receivables respectively transferred by it:

(a) administration, management and collection of the Receivables respectively assigned by it, in accordance with the collection policies; management and administration of enforcement proceedings and insolvency proceedings;

(b) to keep and maintain updated and safe the documents relating to the transfer of the Receivables respectively assigned by it to the Guarantor to consent to the Guarantor and the Representative of the Covered Bondholders to examine and inspect the documents and to draw copies;

(c) upon the occurrence of a Guarantor Event of Default, the Servicer will be obliged to follow the instructions of the Representative of the Covered Bondholders and shall, if acting on behalf of the Guarantor, sell or offer to sell to third parties one or more Receivables respectively transferred by it, in accordance with the provisions of the Cover Pool Administration Agreement.

The Servicer is entitled to delegate the performance of certain activities to third parties, except for the supervisory activities in accordance with the OBG Regulations or any other applicable laws and regulations, including the supervisory instructions and the other provisions enacted from time to time by the Bank of Italy in relation to the activities to be provided pursuant to the Servicing Agreement.

Notwithstanding the above, the Servicer shall remain fully liable for the activities performed by a party so appointed by it, and shall maintain the Guarantor fully indemnified for any losses, costs and damages incurred for the activity performed by a party so appointed by it.

Back-up Servicer Facilitator

Pursuant to the Servicing Agreement, the Guarantor has appointed Banca Finint as Back-up Servicer Facilitator.

If the Servicer ceases to be assigned a long-term debt obligations of at least Baa2 by Moody’s, the Guarantor, with the assistance of the Back-Up Servicer Facilitator, will appoint a back-up servicer on terms set out in the Servicing Agreement. Under the Servicing Agreement, the Back-up Servicer Facilitator has agreed to perform the activities indicated under Article 16 thereto in order to assist and support the Guarantor in appointing a back-up servicer.

Successor Servicer

According to the Servicing Agreement, the Guarantor, upon the occurrence of a termination event, shall have the right to withdraw the appointment of the Servicer at any time and to appoint a different entity (the **Successor Servicer**). Pursuant to the Servicing Agreement, the Guarantor has undertaken to appoint the Successor Servicer immediately after the occurrence of a termination event. The Successor Servicer shall undertake to carry out the activity of administration, management and collection of the relevant Receivables in respect of which it has been appointed, as well as all other activities provided for the relevant Servicer to substitute in the Servicing Agreement by entering into a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

The Guarantor may terminate the appointment of the Servicer and appoint a Successor Servicer following the occurrence of any of the termination event (each a **Servicer Termination Event**).

The Servicer Termination Events include *inter alia*:

(a) failure to transfer, deposit or pay any amount due by the Servicer which failure continues for a period of 10 Business Days following receipt by the relevant Servicer of a written notice from the Guarantor requiring the relevant amount to be paid or deposited from the date on which such amount has been required to be transferred, paid or deposited;

(b) failure by the Servicer to observe or perform duties under specified clauses of the Servicing Agreement and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the Guarantor;

(c) an insolvency, liquidation or winding up event occurs with respect to the Servicer;

(d) failure by the Servicer to observe or perform duties under the Transaction Documents and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the Guarantor and such breach prejudiced the reliance of the Guarantor on the Servicer;

(e) amendments of the functions and services involved in the management of the claims and in the recovery and collection procedures, if such amendments may individually or jointly, make more difficult for the Servicer fulfilling the obligations assumed under the Servicing Agreement;

(f) the relevant Servicer is unable to meet the legal requirements and the Bank of Italy's regulations for entities acting as servicer.

Governing Law

The Servicing Agreement is governed by Italian law.

Corporate Services Agreement

Pursuant to a corporate services agreement entered into on or about the Initial Issue Date between the Corporate Servicer and the Guarantor (the **Corporate Services Agreement**), the Corporate Servicer has agreed to provide the Guarantor with certain administrative services, including the keeping of the corporate books and of the accounting and tax registers.

Governing Law

The Corporate Services Agreement is governed by Italian law.

Intercreditor Agreement

Under the terms of an intercreditor agreement entered into on or about the Initial Issue Date among the Guarantor and the Representative of the Covered Bondholders (in its own capacity and on behalf of the Covered Bondholders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Back-up Servicer Facilitator, the Back-up Servicer (if any), the Corporate Servicer, the Account Bank, the Principal Paying Agent, the Italian Paying Agent, the Cash Manager, the Asset Monitor, the Cover Pool Manager (if any), the Luxembourg Listing Agent and the Calculation Agent (collectively, together with the Swap Counterparties, if any, the **Secured Creditors**), as subsequently amended, (the **Intercreditor Agreement**), the parties agreed that all the Available Funds of the Guarantor will be applied in or towards satisfaction of the Guarantor's payment obligations towards the Covered Bondholders as well as the other Secured Creditors, in accordance with the relevant Priorities of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the Covered Bondholders will, subject to a Guarantor Events of Default having occurred, ensure that all the Available Funds are applied in or towards satisfaction of the payment obligations towards the Covered Bondholders as well as the other Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the Guarantor to each of the Covered Bondholders and each of the other Secured Creditors will be limited recourse obligations of the Guarantor. The Covered Bondholders and the other Secured Creditors will have a claim against the Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents.

Pursuant to the Intercreditor Agreement, the Guarantor and each of the other Secured Creditors have irrevocably agreed that, upon all the Covered Bonds becoming due and payable following a Guarantor Events of Default and the service of an Acceleration Notice, the Representative of the Covered Bondholders will be authorised (a) to carry out the activities provided by the Cover Pool Administration Agreement upon the occurrence of a Guarantor Event of Default and (b) pursuant to the Intercreditor Agreement to exercise, in the name and on behalf of the Guarantor and as a *mandatario con rappresentanza* of the Guarantor, also in the interest and for the benefit of the other Secured Creditors (according to Article 1723, paragraph 2, and Article 1726 of the Italian Civil Code), any and all of the Guarantor's Rights, including, without limitation, the right to give instructions, under each relevant Transaction Document, to each of the Account Bank, the Cash Manager, the Master Servicer, the Additional Servicer, the Principal Paying Agent the Italian Paying Agent, and the Corporate Servicer. The Representative of the Covered Bondholders shall not incur any liability as a result of its taking any action or failing to take any action in accordance with such mandate except in the case of its wilful misconduct or gross negligence (*dolo o colpa grave*).

Governing Law

The Intercreditor Agreement is governed by Italian law.

Mandate Agreement

Pursuant to a mandate agreement entered into on or about the Initial Issue Date between the Guarantor and the Representative of the Covered Bondholders (the **Mandate Agreement**), the Guarantor has granted a general irrevocable mandate to the Representative of the Covered Bondholders, in the interest of the Covered Bondholders and the other Secured Creditors (who irrevocably agreed to such mandate), under and pursuant to Article 1723, paragraph 2, and Article 1726 of the Italian Civil Code, to act in the name and on behalf of the Guarantor on the terms and conditions specified in the Intercreditor Agreement, in exercising the rights of the Guarantor under the Transaction Documents to which it is a party, provided that such powers will be exercisable only if the Guarantor fails to timely exercise its rights under the Transaction Documents.

Governing Law

The Mandate Agreement is governed by Italian law.

Cash Management and Agency Agreement

Pursuant to a cash management and agency agreement entered into on or about the Initial Issue Date between, *inter alios*, the Guarantor, the Account Bank, the Cash Manager, the Representative of the Covered Bondholders, the Calculation Agent, the Luxembourg Listing Agent and the Principal Paying Agent (the **Cash Management and Agency Agreement**), pursuant to which the Account Bank, the Cash Manager, the Principal Paying Agent, the Italian Paying Agent, the Luxembourg Listing Agent, the Servicer, the Corporate Servicer and the Calculation Agent will provide the Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to moneys from time to time standing to the credit of the Accounts.

Pursuant to the Cash Management and Agency Agreement:

(a) the Account Bank will make available to, *inter alia*, the Guarantor and the Representative of the Covered Bondholder, 2 (two) Business Days after each Servicer Report Date, with a report together with account handling services in relation to moneys from time to time standing to the credit of the Accounts;

(b) the Cash Manager will make available to, *inter alia*, the Guarantor, 2 (two) Business Days after each Servicer Report Date, with a report (the **Cash Manager Report**) together with certain cash management services in relation to moneys standing to the credit of the Accounts;

(c) on each Payment Report Date, the Calculation Agent will make available to, *inter alia*, the Guarantor (i) with a payments report (the **Payments Report**) which will set out the Available Funds and the payments to be made on the following Guarantor Payment Date and (ii) 10 (ten) Calendar Days following each Guarantor Payment Date with an investors report (the **Investor Report**) which will set out certain information with respect to the Cover Pool and the Covered Bonds;

(d) the Principal Paying Agent will provide the Issuer and the Guarantor with certain calculation services;

(e) the Italian Paying Agent will provide the Issuer and the Guarantor with certain payment services.

Account Bank

The Securities Account (if any), the Investment Account, the Transaction Account, the Expense Account, the Reserve Account and the Collateral Account (together the **Accounts**) will be opened in the name of the Guarantor and shall be operated by the Account Bank, and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Management and Agency Agreement.

The Account Bank shall, on behalf of the Guarantor, maintain or ensure that records in respect of all the Accounts are maintained and such records will, two Business Days after each servicer Report Date, show separately (i) the balance of each of the Accounts, respectively, as of the last day of the month preceding such Calculation Date; (ii) the total interest accrued and paid on the Accounts, respectively, as of the last day of the month preceding such Calculation Date; and (iii) details of all amounts or securities credited to, and transfers made from, each of the Accounts, respectively, in the course of the immediately preceding Collection Period. The Account Bank will inform the Guarantor and/or the Representative of the Covered

Bondholders, upon their request, about the balance of those of the Accounts which are held with it.

Cash Manager

At any time in the period commencing on (and including) the first calendar day of each month and ending on (and including) the last calendar day of the same month, the Cash Manager is authorised on behalf of the Guarantor to instruct the Account Bank to invest, on behalf of the Guarantor, funds standing to the credit of the Investment Account (if any) in Eligible Investments (if any) which have the requisite maturity date, and any return generated thereby, and principal thereof, will be transferred to the Transaction Account, and will form part of the Available Funds on the immediately following Guarantor Payment Date.

Subject to compliance with the definition of Eligible Investments and the other restrictions set out in the Cash Management and Agency Agreement, the Cash Manager shall act upon instructions received by the Issuer and in the best interest of the Covered Bonds as to the types and amounts of Eligible Investments which it may acquire and as to the terms on which, through whom and on which markets, any purchase of Eligible Investments may be effected.

The Cash Manager shall deliver a copy of its Cash Manager Report, *inter alia*, to the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Italian Payng Agent, the Servicer, the Back-up Servicer Facilitator, the Back-up Servicer (if any) and the Calculation Agent, which shall include information on the Eligible Investments.

Two Business Days after each Servicer Report Date and only if investments have been made on the immediately preceding Collection Period, the Cash Manager Report shall be deliver in electronic form to the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Italian Paying Agent, the Servicer and the Calculation Agent, a report which will contain details of all investments made deriving the Collection Period immediately preceeding.

Calculation Agent

The Calculation Agent will prepare a Payments Report, subject to receipt by it of reports from the Servicer, the Cash Manager, the Account Bank and the Corporate Servicer, which will set out the Available Funds and payments to be made on the immediately succeeding Guarantor Payment Date in accordance with the applicable Priorities of Payments. Such Payments Report will be available on the Cash Manager's website.

On or prior to the tenth calendar day following each Guarantor Payment Date the Calculation Agent shall prepare and deliver to, *inter alia*, the Guarantor, the Representative of the Covered Bondholders and the Servicer, the Investor Report setting out certain information with respect to the Cover Pool and the Covered Bonds.

On each Guarantor Payment Date, the Cash Manager shall, subject to the Cash Management and Agency Agreement, and subject to the receipt by it of the Payments Report from the Calculation Agent, execute the payment instructions stated by the Calculation Agent and shall allocate the amounts standing on the Transaction Account according to the relevant Priority of Payments.

Italian Paying Agent

The Italian Paying Agent will make payments of principal and interest in respect of the Covered Bonds on behalf of the Issuer in accordance with the Conditions and the relevant Final Terms.

After the occurrence of an Issuer Event of Default, the Italian Paying Agent acting upon instruction of the Representative of the Covered Bondholders shall make payments of principal and interest in respect of the Covered Bonds on behalf of the Guarantor.

Principal Paying Agent

The Principal Paying Agent shall give all necessary instructions to the Italian Paying Agent to enable the Italian Paying Agent to perform its obligations under the Cash Management and Agency Agreement.

Luxembourg Listing Agent

The Luxembourg Listing Agent will, upon and in accordance with the signed, written instructions of the Issuer or the Representative of the Covered Bondholders, arrange for publication of any notice which is to be given to the Covered Bondholders by publication on website having general circulation in Luxembourg, or any other means from time to time accepted by the CSSF or Luxembourg Stock Exchange, and will maintain one copy thereof at its address and will supply a copy thereof to the Paying Agents, Monte Titoli and the Luxembourg Stock Exchange.

The Luxembourg Listing Agent will: (a) promptly forward to the Paying Agents, the Corporate Servicer and the Guarantor a copy of any notice or communication addressed to the Guarantor or to the Issuer by any Covered Bondholders and which is received by the Luxembourg Listing Agent; (b) make available to the Guarantor and the Paying Agents such information in its possession as is reasonably required for the maintenance of the records in respect of all the Accounts; (c) comply with the listing rules of the Luxembourg Stock Exchange in connection with the Programme; (d) publish any notice to the Covered Bondholders on the website of the Luxembourg Stoch Exchange (www.bourse.lu) and (e) promptly inform the Guarantor of any fact which may affect its duties in connection with the Programme.

Termination

Upon the occurrence of certain events, either the Issuer, in relation to the Issuer's Agents, the Representative of the Covered Bondholders or the Guarantor, provided that (in the case of the Guarantor) the Representative of the Covered Bondholders consents in writing to such termination, may terminate the appointment of any Agent, as the case may be, under the terms of the Cash Management and Agency Agreement.

Governing Law

The Cash Management and Agency Agreement will be governed by Italian law.

Cover Pool Administration Agreement

Pursuant to a cover pool administration agreement entered into, on or about the Initial Issue Date, between the Guarantor, the Issuer, the Seller, the Calculation Agent, the Asset Monitor and the Representative of the Covered Bondholders (the **Cover Pool Administration Agreement**) the Issuer, the Seller and the Guarantor have undertaken certain obligations for the replenishment of the Cover Pool in order to cure a breach of the Tests (as described in detail in section "*Credit Structure – Tests*" below).

Under the Cover Pool Administration Agreement the Seller and the Issuer have undertaken to procure on a continuing basis and for the whole life of the Programme that on any Calculation Date each of the Mandatory Tests (as described in detail in section "*Credit Structure – Tests*" below) is met with respect to the Cover Pool. The Calculation Agent will also verify, prior to the occurrence of an Issuer Event of Default, that the Asset Coverage Test (as defined in section "*Credit Structure – Tests*") is met as of the relevant Calculation Date, and following the occurrence of an Issuer Event of Default, that the Amortisation Test (as defined in section "*Credit Structure – Tests*") is met.

The Calculation Agent has agreed to prepare and make available on each Calculation Date to the Issuer, the Seller, the Guarantor, the Representative of the Covered Bondholders, the Rating Agency and the Asset Monitor, a report setting out the calculations carried out by it with respect of the Tests (the **Test Performance Report**). Such report shall specify the occurrence of a breach of the Mandatory Tests and/or of the Asset Coverage Test and/or the Amortisation Test.

Following the notification by the Calculation Agent, in the relevant Test Performance Report, of a breach of any Test, the Guarantor shall to any possible extent use the Available Funds to cure the relevant Test or, to the extent the Available Funds are not sufficient to cure the relevant Test, purchase from the Seller any Integration Assets and/or other Eligible Assets, representing an amount sufficient to allow the Tests to be met on the next following Calculation Date. To this extent, the Seller shall grant the funds necessary for payment of the purchase price of the assets to the Guarantor in accordance with the Subordinated Loan Agreement.

If the Cover Pool is not in compliance with the one or more of the Tests on the next following Calculation Date, the Representative of the Covered Bondholders will serve a notice (the **Breach of Test Notice**) on the Issuer and the Guarantor or, if a Notice to Pay has been served to the Guarantor, an Acceleration Notice on the Guarantor.

If following delivery of a Breach of Test Notice, the breach of relevant Tests has not been cured by the Calculation Date following the delivery of the Breach of Test Notice, an Issuer Event of Default will occur and the Representative of the Covered Bondholders shall deliver a Notice to Pay on the Guarantor pursuant to the provisions of the Intercreditor Agreement.

Following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, a breach of the Amortisation Test will trigger a Guarantor Event of Default.

After the service of a Notice to Pay on the Guarantor, but prior to the service of an Acceleration Notice, the Guarantor will be obliged to sell Eligible Assets and/or Integration Assets in accordance with the provisions set out below.

Sale of Selected Assets following the service of a Breach of Test Notice or the occurrence of an Issuer Event of Default

After the service of a Breach of Test Notice, but prior to the occurrence of a Guarantor Event of Default, the Guarantor (or the Servicer on behalf of the Guarantor) may, or following the service of a Notice to Pay shall, be obliged to sell Receivables in accordance with the provisions below, subject to the rights of pre-emption in favour of the Seller to buy such Receivables pursuant to the Master Transfer Agreement. The proceeds from any such sale will be credited to the Transaction Account and applied as set out in the applicable Priority of Payments.

Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default), the Guarantor shall (only if necessary in order to effect timely payments under the Covered Bonds, as determined by the Calculation Agent in consultation with the Cover Pool Manager), be obliged to sell Receivables in accordance with the Cover Pool Administration Agreement, subject to any pre-emption right of the Seller and the Issuer pursuant to the Master Transfer Agreement (the **Selected Assets**). The proceeds of any such sale shall be credited to the Transaction Account and applied as set out in the relevant Priority of Payments.

If the Guarantor is required to sell Receivables, the following provisions shall apply:

(a) the Guarantor may, and after the occurrence of an Issuer Event of Default shall select and appoint a cover pool manager (the **Cover Pool Manager**), on a basis intended to incentivise the Cover Pool Manager to achieve the best price for the sale of the Receivables (if such terms are commercially available in the market), to advise it in relation to the sale of Receivables (except where the Seller is buying the Receivables in accordance with its right of pre-emption according to the Master Transfer Agreement). The terms of the agreement giving effect to the appointment of the Cover Pool Manager in accordance with such tender shall be approved in writing by the Representative of the Covered Bondholders.

(b) Before offering Receivables for sale, the Guarantor shall ensure that the Selected Assets: (i) have been selected from the Cover Pool on a Random Basis; and (ii) have an aggregate outstanding principal balance in an amount (the **Required Outstanding Principal Balance Amount**) which is as close as possible to:

(A) following the service of a Breach of Test Notice (but prior to service of a Notice to Pay on the Guarantor), such amount that would ensure that, if the Receivables were sold at their Current Balance plus the Arrears of Interest and Accrued Interest thereon, the relevant Test would be satisfied on the next Calculation Date (assuming for this purpose that the Breach of Test Notice is continuing on the next Calculation Date); or

(B) following service of a Notice to Pay on the Guarantor the Adjusted Required Redemption Amount in respect of the Earliest Maturing Covered Bonds multiplied by the ratio between the outstanding aggregate notional amount of the assets comprised in the Cover Pool (other than those held in the form of deposits) and the Euro Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding.

Arrears of Interest means, in respect of a Mortgage Loan on a given date, interest and expenses which are due and payable and unpaid as of such date.

Current Balance means in relation to a Mortgage Loan at any given date, the Outstanding Principal Balance relating to that Mortgage Loan as at that date.

Earliest Maturing Covered Bonds means at any time the relevant Series of the Covered Bonds that has the earliest Maturity Date as specified in the applicable Final Terms.

Required Redemption Amount means the Euro Equivalent of the Principal Amount Outstanding in respect of the relevant Series of Covered Bonds, multiplied by 1+ Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365).

Adjusted Required Redemption Amount means:

I. the Required Redemption Amount of the relevant Series of Covered Bonds; *minus*

II. amounts standing to the credit of the Accounts; *minus*

III. the principal amount of any Integration Assets and Eligible Investments; *plus or minus*

IV. as applicable, any swap termination amounts payable under the Swap Agreements to or by the Guarantor in respect of the relevant Series of Covered Bonds.

excluding, with respect to items (ii) and (iii) above all amounts estimated to be applied on the next following Guarantor Payment Date to repay higher ranking amounts in the applicable Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the Earliest Maturing Covered Bonds.

If:

(i) there is more than one Series or Tranche of Covered Bonds then outstanding and the Required Outstanding Principal Balance Amount of the Selected Assets selected in accordance with the procedure above is not sufficient to redeem the Earliest Maturing Covered Bonds, the Guarantor shall ensure that additional Selected Assets are selected on a Random Basis for an amount such that the disposal proceeds expected to be realised from the sale of the aggregate Selected Assets will permit to effect timely payments on the Earliest Maturing Covered Bonds in accordance with the applicable Final Terms, provided however that following the sale of such aggregate Selected Assets, the Amortisation Test is complied with (assuming that the disposal proceeds realised from the sale of such aggregate Selected Assets are used exclusively to repay the Earliest Maturing Covered Bonds); or

(ii) there is only one Series or Tranche of Covered Bonds then outstanding, the Guarantor will be permitted to select more Selected Assets than it is expected to be necessary to raise disposal proceeds for an amount equal to the Required Redemption Amount, provided that it will be required to offer the Selected Assets to purchasers for sale for the best price reasonably obtainable.

Notwithstanding the above, following the occurrence of an Issuer Event of Default and the delivery of a Notice to Pay, the Guarantor may, upon evaluations carried out by the Cover Pool Manager taking into account the then relevant market conditions, sell Selected Assets on a random basis to meet the obligations in respect of any other Series of Covered Bonds then outstanding, provided that, prior to and following the sale of such Selected Assets, the Amortisation Test is complied with.

(c) Save for the pre-emption right of the Seller, following the service of a Breach of Test Notice, the Guarantor (through the Servicer) will offer the Selected Assets to purchasers for sale for the best price reasonably obtainable but in any event for an amount not less than the Required Outstanding Principal Balance Amount.

(d) Following a Breach of Test Notice, if the Receivables have not been sold in an amount equal to the Required Outstanding Principal Balance Amount by the date which is six months prior to, as applicable, the Maturity Date of the Earliest Maturing Covered Bonds (if the relevant Series or Tranche of Covered Bonds is not subject to an Extended Maturity Date) or the Extended Maturity Date in respect of the Earliest Maturing Covered Bonds (if the relevant Series or Tranche of Covered Bonds is subject to an Extended Maturity Date), then the Guarantor will offer the Receivables for sale for the best price reasonably available notwithstanding that such amount may be less than the

Required Outstanding Principal Balance Amount, save for the pre-emption right of the Seller.

(e) In respect of any sale of Receivables following service of a Breach of Test Notice, the Guarantor will instruct the Cover Pool Manager to use all reasonable endeavours to procure that the Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the Cover Pool Manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds.

(f) Save for the pre-emption right of the Seller, the Guarantor may offer for sale to purchasers part of any pool of Selected Assets (a **Partial Cover Pool**). Except in circumstances where the pool of Selected Assets is being sold within 6 months of the Maturity Date or, where the relevant Series or Tranche of Covered Bonds has an Extended Maturity Date, prior to such Extended Maturity Date, as applicable, of the Series or Tranche of Covered Bonds to be repaid from such proceeds, the sale price of the Partial Cover Pool (as a proportion of the Adjusted Required Redemption Amount) shall be at least equal to the proportion that the Partial Cover Pool bears to the relevant portfolio Selected Assets.

(g) With respect to any sale of Selected Assets, the Guarantor may novate, if so requested, all or part of its rights under a relevant Mortgage Pool Swap (if any) or Asset Swap (if any) to the purchaser of Selected Assets, subject to prior notice to the Rating Agency and the Representative of the Covered Bondholders.

(h) Following the delivery of a Breach of Test Notice, in addition to offering Selected Assets for sale to purchasers in respect of the Earliest Maturing Covered Bonds, the Guarantor may offer to sell Selected Assets in respect of all the Series of Covered Bonds, save for the pre-emption right of the Seller.

(i) Following the delivery of a Breach of Test Notice, the obligation of the Guarantor to sell Receivables, as described above, shall cease to apply starting from the Calculation Date, if any, on which the Tests are subsequently met, unless an Issuer Event of Default has occurred and is outstanding and without prejudice to the obligation of the Representative of the Covered Bondholders to deliver a subsequent Breach of Test Notice at any time thereafter.

(j) Following the delivery of a Notice to Pay, if necessary in order to effect timely payments under the Covered Bonds, the Integration Assets may be sold first by the Guarantor and the proceeds applied in accordance with the relevant Priority of Payments.

Sale of Selected Asset following the occurrence of a Guarantor Event of Default

Following the delivery of an Acceleration Notice, the Representative of the Covered Bondholders shall, in the name and on behalf of the Guarantor (so authorised by means of execution of the Cover Pool Administration Agreement), direct the Servicer or, in the absence of the Servicer, the Cover Pool Manager to sell Integration Assets and/or Selected Assets, subject to any right of pre-emption enjoyed by the Seller pursuant to the Master Transfer Agreement. The proceeds of any such sale shall be credited to the Transaction Account and applied in accordance with the relevant Priority of Payments.

If the Guarantor is required to sell Selected Assets following the occurrence of a Guarantor Event of Default, in addition to the above mentioned provisions (and save for the pre-emption right of the Seller), the following provisions shall apply:

(a) in addition to offering Selected Assets for sale to purchasers in respect of the Earliest Maturing Covered Bonds, the Guarantor may offer to sell Selected Assets in respect of all the Series of Covered Bonds;

(b) the Guarantor will instruct the Cover Pool Manager to use all reasonable endeavours to procure that Selected Assets are sold as quickly as reasonably practicable taking into account the market conditions at that time.

Governing Law

The Cover Pool Administration Agreement will be governed by Italian law.

Asset Monitor Agreement

Pursuant to an asset monitor agreement entered into, on or about the Initial Issue Date, between the Asset Monitor, the Issuer, the Calculation Agent, the Guarantor and the Representative of the Covered Bondholders (the **Asset Monitor Agreement**), the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Calculation Agent to the Asset Monitor, to conduct independent tests in respect of the calculations performed by the Calculation Agent for the Tests, as applicable on a semi-annual basis and more frequently in certain circumstances with a view to verifying the compliance of the Cover Pool with such tests.

Governing Law

The Asset Monitor Agreement is governed by Italian law.

Quotaholders' Agreement

On or about the Initial Issue Date, the Guarantor, the Issuer and SVM Securitisation Vehicles Management S.r.l. entered into a quotaholders' agreement (the **Quotaholders' Agreement**), containing provisions and undertakings in relation to the management of the Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM Securitisation Vehicles Management S.r.l. has granted a call option and a put option in favour of the Issuer to purchase from or sell to SVM Securitisation Vehicles Management S.r.l. the quota of the Guarantor quota capital held by SVM Securitisation Vehicles Management S.r.l..

Governing Law

The Quotaholders' Agreement will be governed by Italian law.

Programme Agreement

Pursuant to a programme agreement entered into, on or about the Initial Issue Date, between the Guarantor, the Issuer, the Seller, the Representative of Covered Bondholders and the Dealer (the **Programme Agreement**), the parties have agreed that the Covered Bonds may be issued and sold, from time to time, by the Issuer to the Dealer.

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.

Under the Programme Agreement the Dealer has appointed the Representative of the Covered Bondholders, which appointment has been confirmed by the Issuer and the Guarantor.

The Issuer, the Seller and the Guarantor will indemnify the Dealer for costs, liabilities, charges, expenses and claims incurred by or made against the Dealer arising out of, in connection with or based on breach of duty or misrepresentation by the Issuer, the Seller and the Guarantor respectively.

The Programme Agreement contains provisions relating to the resignation or termination of appointment of existing Dealer and for the appointment of additional or other dealers acceding as new dealer (a) generally in respect of the Programme or (b) in relation to a particular issue of Covered Bonds.

The Programme Agreement contains stabilising and market making provisions.

Pursuant to the Programme Agreement, the Issuer, the Seller and the Guarantor have given certain representations and warranties to the Dealer in relation to, *inter alia*, their selves and the information given by them in connection with this Base Prospectus.

Governing Law

The Programme Agreement will be governed by Italian law.

Subscription Agreement

The Programme Agreement also contains the *pro forma* of the Subscription Agreement to be entered into in relation to each issue of Covered Bonds.

On or prior to the relevant Issue Date, the Issuer and the Dealer who is party to such Subscription Agreement (the **Relevant Dealer**) will enter into a subscription agreement under which the Relevant Dealer will agree to subscribe for the relevant tranche of Covered Bonds, subject to the conditions set out therein.

Under the terms of the Subscription Agreement, the Relevant Dealer will confirm the appointment of the Representative of the Covered Bondholders.

Governing Law

The Subscription Agreement will be governed by Italian law.

Italian Deed of Pledge

Pursuant to an Italian deed of pledge entered into, on or about the Initial Issue Date, between, *inter alios,* the Issuer, the Guarantor and the Representative of the Covered Bondholders, as subsequently amended (the "**Italian Deed of Pledge**"), the Guarantor will pledge in favour of the Representative of the Covered Bondholders (as legal representative of the Covered Bondholders) and the other Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantee) to which the Guarantor is entitled pursuant or in relation to the Transaction Documents (other than the Swap Agreements, the Italian Deed of Pledge and the Deed of Charge).

Governing Law

The Italian Deed of Pledge is governed by Italian law.

Deed of Charge

Pursuant to a deed of charge which will be entered into between, *inter alios*, the Guarantor and the Issuer (the "**Deed of Charge**"), the Guarantor will assign by way of security to (or to the extent not assignable charge by way of fixed charge) in favour of the Representative of the Covered Bondholders (acting in its capacity as Security Trustee for itself Representative of the Covered Bondholders and the secured creditors), all of its rights, in respect of the Swap Agreements and all other contracts, agreements, deeds and documents, present and future, governed by English law, to which the Guarantor may become a party in relation to the Covered Bonds and the Cover Pool, and the monetary rights and claims relating to the amounts standing to the credit of the Accounts.

Governing Law

The Deed of Charge is governed by English law.

Swap Agreements

Covered Bond Swaps

The Guarantor may, if necessary, enter into one or more Covered Bond Swaps on each Issue Date with the Covered Bond Swap Counterparties to hedge certain interest rate or currency risks in respect of amounts received by the Guarantor under the Cover Pool and the Mortgage Pool Swaps and amounts payable by the Guarantor under, prior to the service of a Notice to Pay, the Subordinated Loan and, following an Issuer Default Notice, the Covered Bonds. The notional amount of each Covered Bond Swap shall be equal to the notional outstanding of the relevant Series or Tranche of Covered Bonds outstanding.

Each Covered Bond Swap will contain certain limited termination events and events of default which will entitle either party to terminate the relevant Covered Bond Swap. In particular, the respective Covered Bond Swap Counterparty will be, *inter alia*, required to have certain minimum ratings. Upon downgrading of the relevant Covered Bond Swap Counterparty below such ratings and failure by such Covered Bond Swap Counterparty to take certain actions to remedy such downgrading (including, without limitation, transferring all of its rights and obligations to an adequately rated swap counterparty or obtaining a guarantee from an adequately rated third-party in relation to its obligations under the relevant Covered Bond Swap), the Guarantor will be entitled to terminate the relevant Covered Bond Swap.

Upon the termination of such Covered Bond Swap, the Guarantor or the relevant Covered Bond Swap Counterparty may be liable to make a termination payment to the other in accordance with the provisions of the respective Covered Bond Swap.

If a Covered Bond Swap is entered into in connection with a Series of Covered Bond, such Covered Bond Swap will terminate on the relevant Maturity Date or Extended Maturity Date as the case may be.

Mortgage Pool Swap

In order to hedge the interest rate risks relating to the Mortgage Loans comprised in the Cover Pool, the Guarantor will enter into one or more Mortgage Pool Swap with the relevant Mortgage Pool Swap Counterparties.

Each Mortgage Pool Swap will contain certain limited termination events and events of default which will entitle either party to terminate the relevant Mortgage Pool Swap. In particular, the respective Mortgage Pool Swap Counterparty will be, inter alia, required to have certain minimum ratings. Upon downgrading of the relevant Mortgage Pool Swap Counterparty below such ratings and failure by such Mortgage Pool Swap Counterparty to take certain actions to remedy such downgrading (including, without limitation, transferring all of its rights and obligations to an adequately rated swap counterparty or obtaining a guarantee from an adequately rated third-party in relation to its obligations under the relevant Mortgage Pool Swap), the Guarantor will be entitled to terminate the relevant Mortgage Pool Swap.

Upon the termination of such Mortgage Pool Swap, the Guarantor or the relevant Mortgage Pool Swap Counterparty may be liable to make a termination payment to the other in accordance with the provisions of the respective Mortgage Pool Swap.

Swap Agreement Credit Support Document

Each Mortgage Pool Swap and each Covered Bond Swap will be documented in accordance with the documentation published by the International Swaps and Derivatives Association Inc. (**ISDA**), and will be subject to:

(a) the 1992 ISDA Master Agreement with the Schedule thereto (**ISDA Master Agreement**);

(b) the 1995 ISDA Credit Support Annex (Transfer-English Law) to the Schedule to the ISDA Master Agreement (**CSA**); and

(c) the relevant Confirmation(s).

The Guarantor and each Swap Counterparty will enter into a credit support document in the form of the ISDA 1995 Credit Support Annex (Transfer-English Law) to the Schedule with respect to each Swap Agreement (each, a **CSA**). Each CSA will provide that, from time to time, if required to do so following its downgrade and subject to the conditions specified in the CSA, the relevant Swap Counterparty will make transfers of asset (including, without limitation, cash and/or securities) to the Guarantor in support of its obligations under the Swap Agreement (the **Swap Collateral**) and the Guarantor will be obliged to return equivalent collateral in accordance with the terms of the CSA. Each CSA will be governed by English Law.

Governing law

The Swap Agreements are governed by English Law.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian law that are relevant to the transactions described in this Base Prospectus and of which prospective Covered Bondholders should be aware. It is not intended to be exhaustive and prospective Covered Bondholders should also read the detailed information set out elsewhere in this Base Prospectus.

Law 130 and article 7-*bis* thereof and BoI Regulations. General remarks

Law 130 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

Law Decree of 14 March 2005, No. 35, converted with amendments into law by law 14 May 2005, No. 80, added articles 7-*bis* and 7-*ter* to Law 130, for the purpose of allowing Italian banks to use the securitisation techniques introduced by Law 130 in view of issuing covered bonds (*obbligazioni bancarie garantite*).

Law 130 was further amended by Law Decree No. 145 of 23 December 2013 (*Decreto Destinazione Italia*) as converted with amendments into Law No. 9 of 21 February 2014 (the **Destinazione Italia Decree**), and by Law Decree No. 91 of 24 June 2014 (*Decreto Competitività*), as converted with amendments into Law No. 116 of 11 August 2014 (the **Competitività Decree**).

Pursuant to article 7-*bis*, certain provisions of Law 130 apply to transactions involving the true sale (by way of non-gratuitous assignment) of receivables or asset backed securities issued in the context of securitisation transactions meeting certain eligibility criteria set out in article 7-*bis* and in the Decree of the Ministry of economy and finance No. 310 of 14 December 2006 (the **MEF Decree**), where the sale is to a vehicle incorporated pursuant to article 7-*bis* and all amounts paid by the debtors are to be used by the special purpose vehicle exclusively to meet its obligations under a guarantee to be issued by it, in view of securing the payment obligations of the selling bank or of other banks in connection with the issue of covered bonds (the **Covered Bond Guarantee**).

Pursuant to Article 7-*bis*, the purchase price of the assets to be included in the portfolio shall be financed through the taking of a loan granted or guaranteed by the bank selling the assets or a different bank. The payment obligations of the special purpose vehicle under such loan shall be subordinated to the payment obligations *vis-à-vis* the covered bondholders, the counterparties of any derivative contracts hedging risks in connection with the assigned receivables and securities, the counterparties of any other ancillary contract and counterparties having a claim in relation to any payment of other costs of the transaction.

The covered bonds are further regulated by the BoI Regulations, under which the covered bonds may be issued also by banks which are member of banking groups meeting, as of the date of issuance of the covered bonds, certain requirements relating to the consolidated regulatory capital and the consolidated solvency ratio at the group's level. Such requirements must be complied with, as of the date of issuance of the covered bonds, also by banks selling the assets, where the latter are different from the bank issuing the covered bonds and do not fall within the same banking group.

Following the issue of the MEF Decree, the Bank of Italy Supervisory Instructions were published on 17 May 2007, as subsequently amended on 24 March 2010 and further supplemented by Title V, Chapter 3 of the "*Nuove Disposizioni di Vigilanza Prudenziale per le Banche*" (*Circolare No. 263 of 27 December 2006*), completing the relevant legal and regulatory framework and allowing for the implementation on the Italian market of the covered bonds, which have previously only been available under special legislation to specific companies.

The Bank of Italy published new supervisory regulations on banks in December 2013 (Circolare of the Bank of Italy No. 285 of 17 December 2013) which came into force on 1 January 2014, implementing CRD IV Package and setting out additional local prudential rules concerning matters not harmonised on EU level. Following the publication on 25 June 2014 of the 5th update to Circular of the Bank of Italy No. 285 of 17 December 2013, the Bank of Italy's covered bonds regulation have been included in Part III, Section 3 (*Obbligazioni Bancarie Garantite*) under the Bank of Italy's Circular No 285 of 17 December 2013, containing the "*Disposizioni di Vigilanza per le Banche*", and provisions set forth under Title V, Chapter 3 of Circolare No. 263 of 27 December 2006 have been abrogated.

Eligibility criteria of the assets and limits to the assignment of assets

Under the MEF Decree, the following assets, *inter alia*, may be assigned to the purchasing company, together with any ancillary contracts aimed at hedging the financial risks embedded in the relevant assets: (a) Italian residential and commercial mortgage loans having the characteristics set out under Article 2, Paragraph 1 (a) and (b), respectively, of the MEF Decree; (b) the public assets meeting the characteristics set out under Article 2, Paragraph 1(c) of the MEF Decree; (c) asset backed securities issued in the context of securitisation transactions, meeting the following criteria: (i) the relevant securitised receivables comprise, for an amount equal at least to 95%, loans referred to in (a) and (b) above; (ii) the relevant asset backed securities attract a risk weighting factor not exceeding 20% in accordance with the Bank of Italy's prudential regulations for Banks – standardised approach.

The BoI Regulations set out certain requirements for banks belonging to banking groups with respect to the issuance of covered bonds, to be met at the time of the relevant issuance:

- own funds (*fondi propri*) not lower than Euro 250,000,000.00; and
- a total capital ratio on a consolidated basis of not less than 9 per cent.

The above mentioned requirements must be complied with, as of the date of the assignment, also by the banks selling the assets, where the latter are different from the bank issuing the covered bonds and do not fall within the same banking group.

If the bank selling the assets does not belong to a banking group, the above mentioned requirements relate to the individual own funds and/or total capital ratio.

Moreover, the BoI Regulations set out certain limits to the possibility for banks to assign eligible assets, which are linked to the tier 1 ratio (**T1R**) and common equity tier 1 ratio (**CET1R**) of the individual bank (or of the relevant banking group, if applicable), in accordance with the following grid, contained in the BoI Regulations:

Ratios		**Limits to the assignment**
Group "a"	T1R ≥ 9 % and CET1R ≥ 8 %	No limits
Group "b"	T1R ≥ 8 % and CET1R ≥ 7 %	Assignment allowed up to 60% of the eligible assets
Group "c"	T1R ≥ 7 % and CET1R ≥ 6 %	Assignment allowed up to 25% of the eligible assets

The relevant T1R and CET1R set out in the grid relate to the aggregate of the covered bonds transactions launched by the relevant banking group, or individual bank, as the case may be. If foreign entities belonging to the banking group of the bank selling the assets have issued covered bonds in accordance with their relevant jurisdiction and have therefore segregated part of their assets to guarantee the relevant issuances, the limits set out above shall be applied to the eligible assets held by the Italian companies being part of the assigning bank's banking group.

In addition to the above, certain further amendments have been proposed in respect of the monitoring activities to be performed by the asset monitor. The limits to the assignment set out above do not apply to Integration (as defined below) of the portfolio, provided that Integration is allowed exclusively within the limits set out by the BoI Regulations.

The substitution of eligible assets included in the portfolio with other eligible assets of the same nature is also permitted, provided that certain conditions indicated under the BoI Regulations are met.

Ring-Fencing of the Assets

Under the terms of article 3 of Law 130, the assets relating to each transaction will by operation of law be segregated for all purposes from all other assets of the special purpose vehicle which purchases the receivables. On a winding up of the special purpose vehicle such assets will only be available to holders of the covered bonds in respect of which the special purpose vehicle has issued a guarantee and to the other Secured Creditors. In addition, the assets relating to a particular covered bond transaction will not be available to the holders of covered bonds issued under any other covered bonds transaction or to general creditors of the special purpose vehicle.

In addition, the Competitività Decree introduced, *inter alia*, certain amendments to article 3 of Law 130, aimed at safeguarding collections generated in the context of a securitisation or covered bonds transaction. For this purpose, it is established that the bank accounts used in the context of this kind of transactions are not subject to actions by parties other than the holders of the securities of the specific transaction and that the possible commencement of insolvency proceedings against the depositary does not give rise to the suspension of payments on the sums standing to the credit of the accounts opened with the same depositary, even in connection with sums that are deposited in such accounts over the course of the insolvency proceedings. Indeed, the Competitività Decree provides that such sums are immediately available, without any need for specific requests or claims in the context of the insolvency proceedings.

However, under Italian law, any other creditor of the special purpose vehicle which is not a party to the transaction documents would be able to commence insolvency or winding up proceedings against the special purpose vehicle in respect of any unpaid debt.

The Assignment

The assignment of the receivables under Law 130 will be governed by article 58 paragraphs 2, 3 and 4, of the Legislative Decree No. 385 of 1 September 1993 (the "**Consolidated Banking Act**"). The prevailing interpretation of these provisions, which view has been strengthened by article 4 of Law 130, is that:

(a) as from the date of publication in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) of the notice of assignment of the relevant receivables in accordance with the applicable provisions of Article 58 of the Consolidated Banking Act, the assignment of the relevant receivables will become enforceable against:

(i) any creditors of the seller of the relevant receivables who have not commenced enforcement by means of obtaining an attachment order (*pignoramento*) prior to the date of publication of the notice of assignment of the relevant receivables;

(ii) a receiver in the insolvency of the seller of the relevant receivables; and

(iii) prior assignees of the relevant receivables who have not perfected their assignment by way of (A) notifying the assigned debtors or (B) making the assigned debtors acknowledge the assignment by an acceptance bearing a date certain at law (*data certa*) prior to the date of publication of the notice of assignment of the relevant receivables or in any other way permitted under applicable law,

without the need to follow the ordinary rules under Article 1265 of the Italian Civil Code as to making the assignment effective against third parties; and

(b) as from the later of (A) the date of the publication of the notice of assignment of the relevant receivables, and (B) the date of registration (*iscrizione*) of such notice with the Companies' Register of the district where the issuer is enrolled, in accordance with the applicable provisions of Article 58 of the Consolidated Banking Act, the assignment of the relevant receivables will also become enforceable against:

(i) the assigned debtors; and

(ii) a receiver in the insolvency of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw back action according to Article 67 of Royal Decree no. 267 of 16 March 1942 (the "**Bankruptcy Law**") or the corresponding article of Legislative Decree n. 14 dated 12 January 2019, from the date of its entry into force (the "**New Insolvency Code**"),

without the need to follow the ordinary rules under Article 1264 of the Italian Civil Code as to making the assignment effective against the assigned debtor.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the relevant receivables will automatically be transferred to and perfected with the same priority in favour of the special purpose vehicle, without the need for any formality or annotation.

As from the date of publication of the assignment of the relevant receivables in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), no legal action may be brought to attach the relevant receivables, or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the covered bonds and to meet the costs of the transaction.

Exemption from claw-back

Assignments executed under Law 130 are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law (or the corresponding article of the New Insolvency Code, from the date of its entry into force), but only in the event that the transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or in cases where paragraph 1 of article 67 applies (or the corresponding provision of the New Insolvency Code, from the date of its entry into force) (*e.g.* if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the adjudication of bankruptcy. The claw-back of the assignments applies save that the assignee proves that it was not aware of the insolvency of the assignor.

Article 7-bis of Law 130 provides that the Covered Bond Guarantee and the subordinated loans to be granted to the special purpose vehicle to fund the payment of the purchase price for the cover pool are are exempt from the bankruptcy claw back provisions set out in article 67 of the Bankruptcy Law (or the corresponding article of the New Insolvency Code, from the date of its entry into force).

In addition to the above, any payments made by an assigned debtor to the special purpose vehicle may not be subject to any claw back action according to Article 65 of the Bankruptcy Law (or the corresponding article of the New Insolvency Code, from the date of its entry into force).

Tests set out in the MEF Decree

Pursuant to article 3 of the MEF Decree the issuing bank and the assigning bank (to the extent different from the issuer), will have to ensure that, in the context of the transaction, on a continuing basis, the following tests are satisfied on an ongoing basis:

(a) the outstanding aggregate nominal amount of the Cover Pool shall be equal to, or greater than, the aggregate nominal amount of the outstanding Covered Bonds;

(b) the net present value of the Cover Pool, net of the transaction costs to be borne by the Guarantor, including therein the expected costs and the costs of any hedging arrangement entered into in relation to the transaction, shall be equal to, or greater than, the net present value of the outstanding Covered Bonds;

(c) the amount of interests and other revenues generated by the Cover Pool, net of the costs borne by the Guarantor, shall be equal to, or greater than, the interests and costs due by the Issuer under the outstanding Covered Bonds, taking also into account any hedging arrangements entered into in relation to the transaction.

Integration Assets

For the purpose of ensuring compliance with the tests described above and pursuant to article 2 of the MEF Decree, in addition to assets which are eligible in accordance with Article 2, Paragraph 1 of the MEF Decree, the following assets (the "**Integration Assets**") may be used for the purpose of the integration of the portfolio, in addition to Eligible Assets:

(i) the creation of deposits with banks incorporated in Eligible States or in a State for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach;

(ii) the assignment of securities issued by the banks referred to under (i) above, having a residual maturity not exceeding one year.

Integration through Integration Assets shall be allowed within the limits of 15% of the nominal value of the assets included in the portfolio.

In addition, pursuant to article 7-*bis* of Law 130 and the MEF Decree, integration of the Cover Pool – whether through Eligible Assets or through Integration Assets – (the "**Integration**") shall be carried out in accordance with the methods, and subject to the limits, set out in the BoI Regulations.

More specifically, under the BoI Regulations, the Integration is allowed exclusively for the purpose of (a) complying with the tests set out in the MEF Decree; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the 15% limitation of the Integration Assets included in the portfolio. The limits to the assignment indicated above do not apply to the Integration.

The Integration is not allowed in circumstances other than as set out in the BoI Regulations.

The features of the Covered Bond Guarantee

According to Article 4 of the MEF Decree the Covered Bond Guarantee shall be limited recourse to the Cover Pool, irrevocable, first demand, unconditional and autonomous from the obligations assumed by the Issuer under the Covered Bonds. Accordingly, such obligations shall be a direct, unconditional, unsubordinated obligation of the Guarantor, limited recourse to the Guarantor's available funds, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the Issuer.

In order to ensure the autonomous and independent nature of the Covered Bond Guarantee, Article 4 of the MEF Decree provides that the following provisions of the Italian Civil Code, generally applicable to personal guarantees (*fideiussioni*), shall not apply to the Covered Bond Guarantee: (a) article 1939, providing that a *fideiussione* shall not generally be valid where the guaranteed obligation is not valid; (b) article 1941, para. 1, providing that a *fideiussione* cannot exceed the amounts due by the guaranteed debtor, nor can it be granted for conditions more onerous than those pertaining to the main obligation; (c) article 1944, para. 2, providing, *inter alia*, that the parties to the contract pursuant to which the *fideiussione* is issued may agree that the guarantor shall not be obliged to pay before the attachment is carried out against the guaranteed debtor; (d) article 1945, providing that the guarantor can raise against the creditor any objections (*eccezioni*) which the guaranteed debtor is entitled to raise, except for the objection relating to the lack of legal capacity; (e) article 1955, providing that a *fideiussione* shall become ineffective (*estinta*) where, as a consequence of acts of the creditor, the guarantor is prevented from subrogating into any rights, pledges, mortgages, and liens (*privilegi*) of the creditor; (f) article 1956, providing that the guarantor of future receivables shall not be liable where the creditor – without the authorisation of the guarantor – has extended credit to a third party, while being aware that the economic conditions of the principal obligor were such that recovering the receivable would have become significantly more difficult; (g) article 1957, providing, *inter alia*, that the guarantor will be liable also after the guaranteed obligation has become due and payable, provided that the creditor has filed its claim against the guaranteed debtor within six months and has diligently pursued them.

The obligations of the Guarantor following a liquidation of the Issuer

The MEF Decree sets out also certain principles which are aimed at ensuring that the payment obligations of the Guarantor are isolated from those of the Issuer. To that effect it requires that the Covered Bond Guarantee contains provisions stating that the relevant obligations thereunder shall not accelerate upon the Issuer's default, so that the payment profile of the Covered Bonds shall not automatically be affected thereby.

More specifically, article 4 of the MEF Decree provides that in the event of breach by the Issuer of its obligations *vis-à-vis* the Covered Bondholders, the Guarantor shall assume the obligations of the Issuer – within the limits of the portfolio – in accordance with the terms and conditions originally set out for the Covered Bonds. The same provision applies where the Issuer is subject to mandatory liquidation procedures (*liquidazione coatta amministrativa*).

In addition, the acceleration (*decadenza dal beneficio del termine*) provided for by article 1186 of the Civil Code and affecting the issuer shall not affect the payment obligations of the Guarantor under the Covered Bond Guarantee. Pursuant to article 4 of the MEF Decree, the limitation in the application of article 1186 of the Civil Code shall apply not only to the events expressly mentioned therein, but also to any additional event of acceleration provided for in the relevant contractual arrangements.

In accordance with article 4, para. 3, of the MEF Decree, in case of *liquidazione coatta amministrativa* of the Issuer, the Guarantor shall exercise the rights of the Covered Bondholders *vis-à-vis* the Issuer in accordance with the legal regime applicable to the Issuer. Any amount recovered by the Guarantor as a result of the exercise of such rights shall be deemed to be included in the Cover Pool.

The Bank of Italy shall supervise on the compliance with the aforesaid provisions, within the limits of the powers vested with the Bank of Italy by the Consolidated Banking Act.

Controls over the transaction

The BoI Regulations lay down rules on controls over transactions involving the issuance of Covered Bonds.

Inter alia, in order to provide support to the resolutions passed on the assignment of portfolios to the Guarantor are passed, both in the initial phase of transactions and in later phases, the assigning bank shall request to an auditing firm a confirmation (*relazione di stima*) stating that, on the basis of the activities carried out by that auditing firm, there are no reasons to believe that the appraisal criteria utilised in order to determine the purchase price of the assigned assets are not in line with the criteria which the assigning bank must apply when preparing its financial statements. The above mentioned confirmation is not required if the assignment is made at the book value, as recorded in the latest approved financial statements of the assigning bank, on which the auditors have issued a clean opinion. The above mentioned confirmation is not required if any difference between the book value and the purchase price of the relevant assets is exclusively due to standard financial fluctuations of the relevant assets and is not in any way related to reductions in the qualitative aspects of those assets and/or the credit risk related to the relevant debtors. The management body of the issuing bank must ensure that the internal structures delegated to the risk management verify at least every six months and for each transaction, *inter alia*:

(a) the quality and integrity of the assets sold to the Guarantor securing the obligations undertaken by the latter;

(b) compliance with the maximum ratio between Covered Bonds issued and the Receivables sold to the Guarantor for purposes of backing the issue, in accordance with the MEF Decree;

(c) compliance with the Limits to the Assignment and the rules on, and Limits to, the Integration set out by the BoI Regulations;

(d) the effectiveness and adequacy of the coverage of risks provided under derivative agreements entered into in connection with the transaction;

(e) completeness, accuracy and timeliness of information available to investors pursuant to art. 129, paragraph 7, of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013.

The bodies with management responsibilities of issuing banks and banking groups ensure that an assessment is carried out on the legal aspects (*profili giuridici*) of the activity on the basis of specially issued legal opinions setting out an in-depth analysis of the contractual structures and schemes adopted, with a particular focus on, *inter alia*, the characteristics of the Covered Bond Guarantee.

The BoI Regulations also contain certain provisions on the asset monitor, who is delegated to carry out controls over the regularity of the transaction (*regolarità dell'operazione*) and the integrity of the Covered Bond Guarantee (*integrità della garanzia*) (the **Asset Monitor**). Due to the latest amendments to the BoI Regulations, introduced by way of Part III, Chapter 3 (*Obbligazioni Bancarie Garantite*) in Bank of Italy's Circular No 285 of 17 December 2013, the Asset Monitor is also requested to carry out controls over the information provided to investors (*informativa agli investitori*). Pursuant to BoI Regulations, the Asset Monitor shall be an auditing firm having adequate professional experience in relation to the tasks entrusted with the same and independent from (a) the bank entrusting the same and (b) the other entities which take part to the transaction. In order to meet this independence requirement the auditing firm entrusted with the monitoring must be different from the one entrusted with the auditing of the issuing bank and the selling bank (if different from the issuing bank) and the special purpose vehicle.

The Asset Monitor shall prepare annual reports on controls and assessments on the performance of transactions, to be addressed, *inter alia*, to the body entrusted with control functions of the bank which appointed the Asset Monitor. The BoI Regulations refer to the provisions (art. 52 and 61, para 5, of the Consolidated Banking Act), which impose on persons responsible for such control functions specific obligations to report to the Bank of Italy. Such reference appears to be aimed at ensuring that any irregularities found are reported to the Bank of Italy.

In order to ensure that the Guarantor can perform, in an orderly and timely manner, the obligations arising under the Covered Bond Guarantee, the issuing banks shall use asset and liability management techniques for purposes of ensuring, including by way of specific controls at least every six months, that the payment dates of the cash-flows generated by the portfolio substantially match the payments dates with respect to payments due by the issuing bank under the Covered Bonds issued and other transaction costs.

Finally, in relation to the information flows, the parties to the Covered Bonds transactions shall assume contractual undertakings allowing the issuing bank (and the assigning bank, if different) also acting as servicer (and any third party servicer, if appointed) to hold the information on the portfolio which are necessary to carry out the controls described in the BoI Regulations and for the compliance with the supervisory reporting obligations, including therein the obligations arising in connection with the participation to the central credit register (*Centrale dei Rischi*).

Insolvency proceedings

Insolvency proceedings (*procedure di insolvenza*) conducted under Italian law may take the form of, *inter alia*, a bankruptcy proceeding (*fallimento*), a composition agreement with creditors (*concordato preventivo*) under Article 160 and following of Royal Decree no. 267 of the Bankruptcy Law, or a debts restructuring agreement under Article 182-*bis* of the Bankruptcy Law (*accordo di ristrutturazione dei debiti*), or the corresponding articles of the New Insolvency Code, from the date of its entry into force. Insolvency proceedings are only applicable to businesses (*imprese*) either run by companies, partnerships or by individuals. An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency.

A debtor can be declared bankrupt (*fallito*) and subject to *fallimento* (at its own initiative, or at the initiative of any of its creditors or, in certain cases, the public prosecutor) if it is not able to fulfil its obligations in a timely manner. If a bankruptcy proceeding is commenced, except for contrary provisions of the law, from the day of declaration of bankruptcy, no individual executory and precautionary action, even if relating to receivables fallen due during the bankruptcy proceeding, may be commenced or pursued against assets included in the bankruptcy proceeding. The debtor loses control over all of its assets and of the management of its business, which is taken over by a court appointed receiver (*curatore fallimentare*). Once judgment has been made by the court and the creditors' claims have been approved, the sale of the debtor's property is conducted in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the dismissal of the whole business or single business units, even through competitive procedures.

A qualifying insolvent debtor may avoid being subject to a bankruptcy proceeding (*fallimento*) by proposing to its creditors a composition agreement (*concordato preventivo*) pursuant to Article 160 and following of the Bankruptcy Law (or the corresponding article of the New Insolvency Code, from the date of ints entry into force) which is a restructuring proceeding involving an arrangement by a debtor in a state of crisis or state of insolvency with its creditors, subject to court supervision, the aim of which is to restructure the business and thus avoid a declaration of bankruptcy of such debtor. Such proposal shall based on a plan describing proposed actions and activities to be performed in order to accomplish the financial restructuring of debtor's business and to satisfy its creditors, which may provide for, among other things: (i) sales of assets, the assumption of debts or other extraordinary operations, such as the conversion of debt into equity, bonds, convertible bonds or other securities; (ii) the transfer of the business as a going concern to another entity (*assuntore*); (iii) the division of the creditors into separate classes consistent with their specific legal and economic characteristics; and (iv) different treatment for creditors belonging to different classes. Article 161 of the Bankruptcy Law, as amended respectively by Italian Law Decree No. 83 of 22 June 2012, converted with amendments into Law No. 134 of 7 August 2012, and Italian Law Decree No. 69 of 21 June 2013, converted into Law No. 98 of 9 August 2013, provides that a debtor in a state of crisis or state of insolvency may file a petition before the competent court containing a request in advance for a composition agreement (*domanda di concordato anticipata*). Such request may contain only the annual financial statements for the last three financial years and the list of creditors' names with indication of the relevant credits. The debtor shall subsequently file the above mentioned plan, within the date set by the competent court. Together with the motivated decree setting such date, the competent court may nominate a court-appointed officeholder, following the provision of Article 161 paragraph 5, of the Bankruptcy Law that, pursuant to Article 170, paragraph 2 of the Bankruptcy Law, may examinate the financial statements of the debtor. From the date on which the petition for a composition agreement with creditors or the petition containing a request in advance for a composition agreement (*domanda di concordato anticipata*) is filed before the competent court, an "automatic stay" period is triggered, during which all creditors are prevented from recovering their debt or foreclosing on the debtor's assets. The temporary "automatic stay" is effective until the date of final ratification (*decreto di omologazione*) of the composition agreement with creditors. Following the filing of the petition before the competent court, the relevant court evaluates whether conditions for admission to such proceeding are met. Should the court decide that the petition does not satisfy the requirements set out by law, the debtor's petition is rejected and, if the debtor is in a state of insolvency, it may be declared bankrupt (*fallito*). If the conditions for admission are met, the relevant court will, *inter alia*, appoint the court-appointed officeholder (if it was not appointed by the competent court pursuant to Article 162, paragraph 5 of the Bankruptcy Law) who will notify each creditor of the date of the creditor's meeting to vote on the plan proposed by the debtor. The composition agreement with creditors is approved with the affirmative vote of creditors representing the majority of credits admitted to vote. If there are different classes of creditors, the composition agreement with creditors is approved if the majority is reached also in the major number of classes. The court may ratify the composition agreement with creditors even if this has not been approved by the majority of creditors in one or more classes, provided that: (i) the majority of classes has approved the proposal; and (ii) the court believes that the creditor in a dissenting class will be in a position under the composition not worse than that in which they would be in case of any other feasible alternative. If creditors do not approve the composition agreement, the court will then declare its inadmissibility and may declare the debtor bankrupted if it is insolvent. On the contrary, if creditors approve the composition agreement, the designated judge, if all procedures have taken place regularly and in the absence of oppositions (or once possible oppositions have been dealt with and resolved), will ratify that approval.

Pursuant to Article 182-bis of the Bankruptcy Law, a debtor which is experiencing a state of crisis may require the ratification (*omologazione*) of a debts restructuring agreement (*accordo di ristrutturazione dei debiti*) entered into between it and its creditors representing at least 60% of the credits owed by it, by filing with the competent court the required corporate documentation and a certification of an expert - having certain characteristics - confirming (i) the feasibility of the debts restructuring agreement and (ii) its capability of procuring the regular payment of those creditors which are not a party to such debts restructuring agreement. The debts restructuring agreement must be published in the debtor's companies' register and shall be effective as of the date of its publication. For a period of 60 days from the date of its publication, the debts restructuring agreement shall determine an "automatic stay" period pursuant to which any creditor having a title against such debtor arisen in advance to the date of publication of the debts restructuring agreement, will not be allowed to commence or continue any enforcement or precautionary action on the assets of the debtor. If the debts restructuring agreement complies with all the requirements set out by law and it is feasible to aim its purposes, the court shall issue a decree (*decreto di omologazione*) validating such debts restructuring agreement.

Law No. 3 of 27 January 2012 provides that consumers and other entities that cannot make use of the insolvency proceedings (**Other Entities**) may benefit from a procedure in order to reconstruct their own debts. Such procedure provides that the Other Entities may apply a special authority and the competent court in order to propose a recovery plan for their own debts. If such plan is approved it will be binding for the creditors.

Law Decree No. 179 of 18 October 2012 as converted into Law No. 221 on 17 December 2012 has amended the discipline provided for by Law No. 3 of 27 January 2012 and in particular some aspects regarding:

(i) the setting of the recovery plan;

(ii) the consumer insolvency (*crisi del consumatore*);

(iii) the composition agreement related to insolvency proceedings and the subsequent discharge of residual debt by the court (*esdebitazione*).

Furthermore, Law Decree number 83 of 22 June 2012 as converted with amendments into Law No. 134 of 17 August 2012, in order to accelerate the report of insolvencies and to favour the business administration continuity, allows the enterpreneur to claim for a composition agreement before having filed the required documentation.

Description of *Amministrazione Straordinaria delle Banche* – Suspension of payments

A bank may be submitted to the *amministrazione straordinaria delle banche* where (a) serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's by-laws activity are found; (b) serious capital losses are expected to occur; (c) the dissolution has been the object of a request by the administrative bodies or an extraordinary company meeting providing the reasons for the request.

According to the Consolidated Banking Act, the procedure is initiated by a decree of the Ministry of Economy and Finance, acting on a proposal by the Bank of Italy, which shall dissolve the bodies entrusted respectively with management and control functions of the bank. Subsequently the Bank of Italy shall appoint, within 15 days as from the date of that decree: (a) one or more special administrator (*commissari straordinari*); (b) a surveillance committee composed of between three and five members (*comitato di sorveglianza*). The *commissari straordinari* are entrusted with the duty to assess the situation of the bank, remove the irregularities which may have been found and promote solutions in the best interest of the depositors of the bank. The *comitato di sorveglianza* exercises auditing functions and provides to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. However, it should be noted that the Bank of Italy may instruct in a binding manner the *commissari straordinari* and the *comitato di sorveglianza* providing specific safeguards and limits concerning the management of the bank.

In exceptional circumstances, pursuant to Article 74 of the Consolidated Banking Act the *commissari straordinari*, in order to protect the interests of the creditors, in consultation with the *comitato di sorveglianza* and subject to an authorization by the Bank of Italy, may suspend payment of the bank's liabilities and the restitution to customers of financial instruments. Payments may be suspended for a period of up to one month, which may be extended for an additional period of two months. During the suspension period forced executions or actions to perfect security interests involving the bank's properties or customers' securities may not be initiated or prosecuted. During the same period mortgages may not be registered on the bank's immovable property nor may any other rights of preference on the bank's movable property be acquired, except in the case of enforceable court orders issued prior to the beginning of the suspension period. The suspension shall not trigger the insolvency of the bank.

The *amministrazione straordinaria delle banche* shall last for one year from the date of issue of the decree of the Ministry of the Economy and Finance, unless the decree provides for a shorter period or the Bank of Italy authorises the early termination. In exceptional cases, the procedure may be extended for an additional period of up to six months. The Bank of Italy may extend the duration of the procedure for periods of up to two months, in connection with the acts and formalities related to the termination of the procedure, provided that the relevant acts to be executed have already been approved by the Bank of Italy.

At the end of the procedure, the *commissari straordinari* shall undertake the necessary steps for the appointment of the bodies governing the bank in the ordinary course of business. After the appointment, the management and audit functions shall be transferred to the newly appointed bodies. It should however be noted that, should at the end of the procedure or at any earlier time the conditions for the declaration of the *liquidazione coatta amministrativa* (described in the following section) be met, then the bank may be subject to such procedure.

Description of *Liquidazione Coatta Amministrativa delle Banche*

According to the Consolidated Banking Act, when the conditions for the *amministrazione straordinaria delle banche* and described in the preceding paragraph are exceptionally serious (*di eccezionale gravità*), or when a court has declared the state of insolvency of the bank, the Ministry of Economy and Finance, acting on a proposal of the Bank of Italy, by way of a decree, may revoke the authorisation for the carrying out of banking activities and submit the bank to the compulsory winding up (*liquidazione coatta amministrativa*).

From the date of issue of the decree the functions of the administrative and control bodies, of the Shareholders' meetings and of any other governing body of the bank shall cease. The Bank of Italy shall appoint (a) one or more liquidators (*commissari liquidatori*); (b) a surveillance committee composed of between three and five members (*comitato di sorveglianza*).

From the date the *commissari liquidatori* and the *comitato di sorveglianza* have assumed their functions and in any case from the third day following the date of issue of the aforesaid decree of the Ministry of Economy and Finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The *commissari liquidatori* shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The comitato di sorveglianza shall (a) assist the *commissari liquidatori* in exercising their functions, (b) control the activities carried out by *commissari liquidatori*; and (c) provide to the *commissari liquidatori* the opinions requested by the law or by the Bank of Italy. The Bank of Italy may issue directives concerning the implementation of the procedure and establish that some categories of operations and actions shall be subject to its authorisation and to preliminary consultation with the *comitato di sorveglianza*.

The Consolidated Banking Act regulates the procedure for the assessment of the bank's liabilities (*accertamento del passivo*), and the procedures which allow creditors whose claims have been excluded from the list of liabilities (*stato passivo*) to challenge the list of liabilities.

The liquidators, with the favourable opinion of the *comitato di sorveglianza* and subject to authorisation by the Bank of Italy, may assign assets and liabilities, going concerns, assets and legal relationships identifiable as a pool (*in blocco*). Such assets may be assigned at any stage of the procedure, even before the *stato passivo* has been deposited. The assignor shall however be liable exclusively for the liabilities included in the *stato passivo*. Subject to prior authorisation of the Bank of Italy and for the purpose of maximizing profits deriving from the liquidation of the assets, the commissari liquidatori may continue the banks' activity or of specific going concerns of the bank, in compliance with any indications provided for by the *comitato di sorveglianza*. In such case the provision of the Bankruptcy Law concerning the termination of legal relationships shall not apply.

Once the assets have been realised and before the final allotment to the creditors or to the last restitution to customers, the *commissari liquidatori* shall present to the Bank of Italy the closing statement of accounts of the liquidation, the financial statement and the allotment plan, accompanied by their own report and a report by the surveillance committee.

TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions of the Covered Bonds (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "holder of Covered Bonds" and to the "Covered Bondholders" are to the ultimate owners of the Covered Bonds, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) Article 83-bis et seq. of the legislative decree No. 58 of 24 February 1998 (the "**Financial Law**") and implementing regulations and (ii) the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as subsequently amended and supplemented from time to time.*

The Covered Bondholders are deemed to have notice of, and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Covered Bondholders attached to, and forming part of, these Conditions. In addition, the applicable Final Terms in relation to any 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 Conditions, complete the Conditions for the purpose of such Series or Tranche.

1. INTRODUCTION

(i) *Programme*: Deutsche Bank S.p.A. (the **Issuer**) has established a covered bond programme (the **Programme**) for the issuance of up to €4,000,000,000 in aggregate principal amount of covered bonds (*obbligazioni bancarie garantite*) (the **Covered Bonds**) guaranteed by DB Covered Bond S.r.l. (the **Guarantor**). Covered Bonds are issued pursuant to Article 7-*bis* of law No. 130 of 30 April 1999 (as amended, the **Law 130**), Decree of the Ministry for the Economy and Finance of 14 December 2006 No. 310 (as amended, the **MEF Decree**) and the supervisory instructions of the Bank of Italy relating to covered bonds under Part III, Chapter 3, of circular No. 285 of 17 December 2013, containing the "*Disposizioni di vigilanza per le banche*" as further implemented and amended (the **BoI Regulations** and jointly with the Law 130 and the MEF Decree, the **OBG Regulations**).

(ii) *Final Terms*: Covered Bonds are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Covered Bonds. Each Series or Tranche is the subject of final terms (the **Final Terms**) which integrate and complete these Conditions. The terms and conditions applicable to any particular Series or Tranche of Covered Bonds are these Conditions as integrated and/or completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(iii) *Covered Bond Guarantee*: each Series or Tranche of Covered Bonds is the subject of a guarantee (the **Covered Bond Guarantee**) entered into on or about the Issue Date by the Guarantor, the Issuer and the Representative of the Covered Bondholders for the purpose of guaranteeing the payments due from the Issuer in respect of the Covered Bonds of all Series or Tranche issued under the Programme. The Covered Bond Guarantee will be collateralised by a Cover Pool (as defined below) constituted by certain assets assigned from time to time to the Guarantor pursuant to the Master Transfer Agreement (as defined below) and in accordance with the provisions of the Law 130, the MEF Decree and the BoI Regulations. The recourse of the Covered Bondholders to the Guarantor under the Covered Bond Guarantee will be limited to the assets of the Cover Pool. Payments made by the Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the relevant Priority of Payments (as defined below).

(iv) *Programme Agreement and Subscription Agreement*: in respect of each Series or Tranche of Covered Bonds issued under the Programme, the Relevant Dealer (as defined below) has or have agreed to subscribe for the Covered Bonds and pay the Issuer the issue price for the Covered Bonds on the Issue Date under the terms of a programme agreement (the **Programme Agreement**) between the Issuer, the Guarantor and the dealer named therein (the **Dealers**), as supplemented (if applicable) by a subscription agreement entered into between the Issuer, the Guarantor and the Relevant Dealer (as defined below) on or around the date of the relevant Final Terms (the **Subscription Agreement**). In the Programme Agreement, the Relevant Dealer has appointed Deutsche Trustee Company Limited as representative of the Covered Bondholders (in such capacity, the **Representative of the Covered Bondholders**), as described in Condition 13 (*Representative of the Covered Bondholders*).

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

(vi) *The Covered Bonds*: except where stated otherwise, all subsequent references in these Conditions to **Covered Bonds** are to the Covered Bonds which are the subject of the relevant Final Terms, but all references to **each Series 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.

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

(viii) *Summaries*: certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions. Covered Bondholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents applicable to them. Copies of the Transaction Documents are available for inspection by the Covered Bondholders during normal business hours at the registered office of the Representative of the Covered Bondholders from time to time and, where applicable, at the Specified Offices of each of the Paying Agents.

2. INTERPRETATION

(i) *Definitions*: in these Conditions the following expressions have the following meanings:

Acceleration Notice means the notice to be served by the Representative of the Covered Bondholders on the Guarantor pursuant to the Intercreditor Agreement upon the occurrence of any of the Guarantor Events of Default.

Accounts means, collectively the Transaction Account, the Investment Account, the Reserve Account, the Securities Account (if any), the Expense Account, the Collateral Account and **Account** means any one of them.

Account Bank means Deutsche Bank AG, London Branch.

Account Bank Report means a statement of the Accounts relating to the preceding Collection Period, which will include the balance of the Accounts as of the close of business of the last Business Day of the relevant calendar month, which the Account Bank will deliver to the Guarantor, the Representative of the Covered Bondholders, the Servicer, the Back-up Servicer Facilitator, the Cash Manager, the Principal Paying Agent, the Italian Paying Agent and the Calculation Agent.

Accrual Yield has the meaning ascribed to it in the relevant Final Terms.

Accrued Interest means in respect of a Mortgage Loan at any date the aggregate of all interest accrued but not yet due and payable from (and including) the payment date for that Mortgage Loan immediately preceding the relevant date to (but excluding) the relevant date.

Additional Business Centre(s) means the city or cities specified as such in the relevant Final Terms.

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

Adjusted Aggregate Loan Amount means the amount calculated pursuant to the formula set out in the Cover Pool Administration Agreement.

Adjusted Required Redemption Amount has the meaning ascribed to it under the Cover Pool Administration Agreement.

Affected Party has the meaning ascribed to it in the Swap Agreements.

Amortisation Test means the test intended to ensure that, on each Calculation Date following the occurrence of an Issuer Event of Default and service of a Notice to Pay, the Amortisation Test Aggregate Loan Amount is higher than or equal to the Principal Amount Outstanding of the Covered Bonds.

Article 74 Event has the meaning ascribed to it in Condition 11(ii).

Article 74 Event Cure Notice means a notice delivered by the Representative of the Covered Bondholders to the Issuer, the Guarantor and the Asset Monitor, informing such parties that the Article 74 Event has been cured.

Asset Coverage Test means the test which will be carried out pursuant to the terms of the Cover Pool Administration Agreement in order to ensure that, on the relevant Calculation Date, the Adjusted Aggregate Loan Amount is at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds.

Asset Monitor means BDO Italia S.p.A., or any other entity appointed from time to time to act as such in accordance with the Asset Monitor Agreement.

Asset Monitor Agreement means the Asset Monitor Agreement entered into on or about the Initial Issue Date, as amended from time to time, between, *inter alios*, the Asset Monitor and the Issuer.

Asset Swap means the asset swap agreement that may be entered into between the Guarantor and the relevant Asset Swap Counterparty in order to hedge certain interest rate risks, and eventually currency risks, in respect of amounts received by the Guarantor under the Eligible Assets and/or Integration Assets.

Asset Swap Counterparty means any entity acting as such under the Asset Swap.

Available Funds means, collectively, (a) the Interest Available Funds, (b) the Principal Available Funds and (c) the Excess Proceeds, provided that the Available Funds do not include the Swap Collateral.

Back-up Servicer has the meaning ascribed to it in the Servicing Agreement.

Back-up Servicer Facilitator has the meaning ascribed to it in the Servicing Agreement.

Business Day means a day on which banks are generally open for business in Milan, London and Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any Successor thereto) is open.

Business Day Convention, in relation to any particular date, has the meaning ascribed to it 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 back 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.

Breach of Test Notice means the notice delivered by the Representative of the Covered Bondholders in accordance with the terms of the Cover Pool Administration Agreement.

Calculation Agent means DB S.p.A., acting as such pursuant to the Cash Management and Agency Agreement and the Cover Pool Administration Agreement.

Calculation Amount has the meaning ascribed to it in the relevant Final Terms.

Calculation Date means the 20th day of January, April, July and October of each year or, if the last day is not a Business Day, the immediately following Business Day; the first Calculation Date will fall in October 2012.

Call Option has the meaning ascribed to it in the relevant Final Terms.

Cash Management and Agency Agreement means the cash management and agency agreement entered into on or about the Initial Issue Date, as amended from time to time, between, *inter alios*, the Guarantor, the Account Bank, the Cash Manager, the Representative of the Covered Bondholders, the Calculation Agent, the Luxembourg Listing Agent and the Principal Paying Agent.

Cash Manager means DB S.p.A. acting as such pursuant to the Cash Management and Agency Agreement.

Cash Manager Report means a report which will include details of all investments made during the Collection Period immediately preceding and which the Cash Manager will deliver in electronic form to the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Italian Paying Agent, the Servicer and the Calculation Agent.

CB Interest Period means each period beginning on (and including) a CB Payment Date (or, in case of the first CB Interest Period, the Interest Commencement Date) and ending on (but excluding) the next CB Payment Date (or, in case of the last CB Interest Period, the Maturity Date).

CB Payment Date means the First CB Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first CB Payment Date) or the previous CB Payment Date (in any other case).

Clearstream means Clearstream Banking, société anonyme, Luxembourg.

Collateral Account means a euro-denominated account opened in the name of the Guarantor with the Account Bank, or any other account as may replace it in accordance with the provisions of the Cash Management and Agency Agreement.

Collection Date means the last calendar day of March, June, September and December of each year; the first Collection Date will fall in September 2012.

Collection Period means each period from (but excluding) a Collection Date to (and including) the following Collection Date or, in respect of the first Collection Period, the period from (and including) the Evaluation Date of the transfer of the Initial Portfolio to (and including) the next following Collection Date.

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

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

Corporate Services Agreement means the corporate services agreement entered into on or about the Initial Issue Date between Banca Finint as corporate servicer and the Guarantor, as amended from time to time.

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

Covered Bond Swap means any covered bond swap agreement that may be entered into between the Guarantor and the relevant Covered Bond Swap Counterparty in order to hedge certain interest rate risks, and eventually currency risks, in respect of amounts received by the Guarantor under the Mortgage Pool Swap, the Asset Swap (if any) and certain amounts to be paid in respect of the Subordinated Loan and the Covered Bonds.

Covered Bond Swap Counterparty means any entity acting as such under the Covered Bond Swap.

Covered Bond Instalment Date means a date on which a principal instalment is due on a Series of Covered Bonds as specified in the relevant Final Terms.

Cover Pool means collectively the Eligible Assets and/or the Integration Assets held by the Guarantor.

Cover Pool Administration Agreement means the cover pool administration agreement entered into on or about the Initial Issue Date, as amended from time to time, between, *inter alios*, the Issuer, the Seller, the Guarantor, the Representative of the Covered Bondholders and the Calculation Agent

CSA means the 1995 ISDA Credit Support Annex (Transfer-English Law) to the Schedule to the ISDA Master Agreement.

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

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

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

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

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

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

(ii) if **Actual/365** or **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 (Fixed rate)** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(vi) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the CB Interest Period divided by 365 or, in the case of a CB Payment Date falling in a leap year, 366;

(vii) if **30/360 (Floating Rate)** is so specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Calculation Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(viii) if 30E/360 or Eurobond Basis is so specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Calculation Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(ix) if **30E/360 (ISDA)** is so specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

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.

Dealer means Deutsche Bank S.p.A. and Deutsche Bank Aktiengesellschaft and any other dealer appointed from time to time in accordance with the Programme Agreement.

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

Due for Payment Date has the meaning ascribed to it under the Covered Bond Guarantee.

Early Redemption 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 relevant Final Terms.

Early Redemption Date means, as applicable, the Optional Redemption Date (Call), the Optional Redemption Date (Put) or the date on which any Series or Tranche of Covered Bonds is to be redeemed pursuant to Condition 8(v) (*Redemption for tax reasons*).

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, these Conditions or the relevant Final Terms.

Eligible Assets means the Mortgage Loans, the Public Assets and the ABS.

Eligible Institution means any depository institution organised under the laws of any State which is a member of the European Union or of the United States (to the extent that United States are a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardized approach) and enabled to carry out banking activity in Italy:

c) whose short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "P-3" by Moody's, or long-term deposit rating are rated at least "Baa3" by Moody's , or such other rating as may from time to time comply with Moody's criteria, provided that, with respect to DB S.p.A., it shall be deemed to be an Eligible Institution if: (i) the rating requirements set out under this paragraph (a) above are met in respect of its controlling parent company, being DB AG; and (ii) the shareholding interest held in it by its controlling parent company does not fall below 90 per cent.; or

d) whose obligations under the Transaction Documents to which it is a party are guaranteed by an entity whose short-term counterparty risk assessment is at least "P-3" by Moody's or long-term counterparty risk assessment is at least "Baa3" by Moody's.

Eligible Investments means:

(a) any investment denominated in Euro that has a remaining maturity date falling, or which is redeemable at par together with accrued unpaid interest, no later than the earlier of (i) the maturity reported in the table below and (ii) the Liquidation Date immediately preceding the CB Payment Date of the Earliest Maturing Covered Bonds and that is an obligation of a company incorporated in, or a sovereign issuer of, a Qualifying Country, and is one or more of the following obligations or securities (including, without limitation, any obligations or securities for which the Representative of the Covered 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 that Qualifying Country;

    (ii) call and time or term deposits in, certificates of deposit of and bankers' acceptances issued by any depositary institution or trust company (including, without limitation, the Account Bank) incorporated under the laws of a Qualifying Country and subject to supervision and examination by governmental banking authorities, provided that such investments shall have a minimum rating equal to the ones reported on the following table:

Maturity	Rating
Moody's	

Less than 365 calendar days	P-1
Less than 30 calendar days	P-2;

(iii) any security rated at least (A) "P-2" by Moody's, if the relevant maturity is up to 30 calendar days, (B) "P-1" by Moody's, if the relevant maturity is up to 365 calendar days and (C) "Aaa" by Moody's, if the relevant maturity is greater than 365 days, provided that, in all cases, the maximum aggregate total exposures in general to classes of assets with certain ratings may be limited by the Rating Agency;

(iv) any Eligible Asset, provided that, in all cases, such investments shall from time to time comply with Rating Agency's criteria;

(v) 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 "A2" and "P1" by Moody's and a maturity of not more than 90 days from their date of issuance; (2) any other investment similar to those described in paragraph (1) 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 paragraph (1) above, provided that, in any event, none of the 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;

(b) in relation to the investment of any other funds,

(i) a cash deposit held by an Eligible Institution; and/or

(ii) any other debt instrument (including any repurchase transaction, certificate of deposit, commercial paper, debt security) issued or fully guaranteed by an Eligible Institution,

provided that in all cases such investments shall from time to time comply with Rating Agency's criteria and that all investments shall have a duration no longer than the Liquidation Date immediately following the date on which the relevant Eligible Investment has been made or at disposable at no loss.

Eligible States means any State belonging to the European Economic Area and the Swiss Confederation.

EURIBOR shall have the meaning ascribed to it in the relevant Final Terms.

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

Euroclear means Euroclear Bank S.A./N.V.

Evaluation Date has the meaning ascribed to it in the Master Transfer Agreement.

Excess Proceeds means the amounts received by the Guarantor as a result of any enforcement taken vis-à-vis the Issuer in accordance with Article 4, Paragraph 3, of the MEF Decree.

Expense Account means a euro-denominated account with IBAN: GB15DEUT40508176482404, opened in the name of the Guarantor with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Agency Agreement.

Extension Determination Date means the date falling 2 Business Days after the expiry of seven days from (and including) the Maturity Date of the relevant Series or Tranche of Covered Bonds.

Extended Instalment Date means, in relation to any Series or Tranche of Covered Bonds, the date if any specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of an Instalment Amount payable on the relevant Covered Bond Instalment Date will be deferred pursuant to Condition 8(iv) (*Extension of principal instalments*).

Extended Maturity Date means, in relation to any Series or Tranche of Covered Bonds, the date if any specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 8(ii) (*Extension of Maturity*).

Extraordinary Resolution has the meaning ascribed to it in the Rules of the Organisation of the Covered Bondholders attached to these Conditions.

Final Redemption Amount means the amount, as specified in the applicable Final Terms, representing the amount due (subject to the applicable grace period) in respect of the relevant Series or Tranche of Covered Bond.

First CB Payment Date means the date specified as such in the relevant Final Terms.

Fixed Coupon Amount has the meaning ascribed to it in the relevant Final Terms.

Fixed Rate Covered Bond means a Covered Bond specified as such in the relevant Final Terms.

Fixed Rate Provisions means the relevant provisions Condition 5 (*Fixed Rate Provisions*).

Floating Rate Provisions means the relevant provisions of Condition 6 (*Floating Rate Interest Provisions*).

Floating Rate Covered Bond means a Covered Bond specified as such in the relevant Final Terms.

Guaranteed Amounts means (i) prior to the service of an Acceleration Notice, with respect to any Scheduled Due for Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Scheduled Due for Payment Date, or (ii) after the service of an Acceleration Notice, an amount equal to the relevant Early Redemption Amount *plus* all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the Issuer under the Covered Bonds, provided that any Guaranteed Amounts representing interest paid after the Maturity Date shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was paid by or on behalf of the Issuer to the Covered Bondholders to the extent it has been clawed back and recovered from the Covered Bondholders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the **Clawed Back Amounts**). In each case the Guaranteed Amounts does not include any additional amounts payable under Condition 10(i) (*Gross up by Issuer*).

Guarantor Events of Default has the meaning ascribed to it in Condition 11(iii) (*Guarantor Events of Default*).

Guarantor Payment Date means the 26th day of each months of October, January, April and July, or if the last day is not a Business Day, the immediately following Business Day; the first Guarantor Payment Date will fall in October 2012.

Initial Issue Date means the date on which the Issuer will issue the first Series of Covered Bonds.

Initial Receivables means the first portfolio of certain Eligible Assets transferred by the Seller to the Guarantor pursuant to the Master Transfer Agreement.

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

(i) such company, entity or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordi di ristrutturazione*" and (other than in respect of the Issuer) "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company, entity or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than in the case of the Guarantor, any portfolio of assets purchased by the Guarantor for the purposes of further programme of issuance of Covered Bonds), unless in the opinion of the Representative of the Covered Bondholders, (who may in this respect rely on the advice of a legal adviser selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

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

(iii) such company, entity or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to Article 74 of the Consolidated Banking Act); or

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

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

Instalment Amount has the meaning ascribed to it in Condition 8(iii) (*Redemption by instalments*).

Instalment Extension Determination Date means, with respect to any Covered Bond Instalment Date, the date falling 2 Business Days after the expiry of seven days from (and including) such Covered Bond Instalment Date.

Integration Assets means the assets mentioned in article 2, paragraph 3, point 2 and 3, of the MEF Decree consisting of (a) deposits held with banks which (i) have their registered office in an Eligible State or in a country for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and (ii) qualify as Eligible Institutions; and (b) securities issued by banks indicated in item (a) above having residual maturity not greater than one year.

Integration Assets Limit means the limit of 15% (of the aggregate outstanding principal amount of the Cover Pool) of Integration Assets included in the Cover Pool, as provided for under the Decree No. 310 and the BoI Regulation, or any other limit set out in the future in the applicable regulation.

Intercreditor Agreement means the agreement entered into on or about the Initial Issue Date, as amended from time to time, between, *inter alios*, the Guarantor, the Servicer, the Back-up Servicer Facilitator and the Back-up Servicer (if any), the Seller, the Issuer, the Representative of the Covered Bondholders and the other Secured Creditors.

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

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

(i) any interest collected by the Servicer in respect of the Cover Pool and credited into the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(ii) all recoveries in the nature of interest and penalties received by the Servicer and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

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

(iv) all interest amounts received from the Eligible Investments;

(v) any amounts other than in respect of principal received under the Mortgage Pool Swap;

(vi) any amounts other than in respect of principal received under the Covered Bond Swaps (other than any Swap Collateral);

(vii) any swap termination payments received from a Swap Counterparty under a Swap Agreement, provided that, prior to the occurrence of a Guarantor Event of Default, such amounts will first be used to pay a Replacement Swap Counterparty to enter into a Replacement Swap Agreement, unless a Replacement Swap Agreement has already been entered into by or on behalf of the Guarantor;

(viii) prior to the service of a Notice to Pay on the Guarantor amounts standing to the credit of the Reserve Fund in excess of the Required Reserve Amount and following the service of a Notice to Pay on the Guarantor, any amounts standing to the credit of the Reserve Account;

(ix) any amounts (other than the amounts already allocated under other items of the Interest Available Funds or Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period;

(x) the Potential Commingling Amount if such amount has been credited in accordance with the provisions of the Cover Pool Administration Agreement and an Issuer Event of Default has occurred.

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

Interest Determination Date has the meaning ascribed to it in the relevant Final Terms.

Investment Account means a euro-denominated opened in the name of the Guarantor with IBAN: GB69DEUT40508176482402, opened in the name of the Guarantor with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Agency Agreement.

Investor Report means a report setting out certain information with respect to the Cover Pool and the Covered Bonds which the Calculation Agent shall prepare and deliver to the Guarantor, the Representative of the Covered Bondholders, the Servicer, the Corporate Servicer, the Cash Manager and the Calculation Agent.

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

ISDA Determination means that the Rate of Interest will be determined in accordance with Condition 6(iv) (*ISDA Determination*).

Issue Date has the meaning ascribed to it in the relevant Final Terms.

Issuer Events of Default has the meaning ascribed to it in Condition 11(i) (Issuer Events of Default).

Liquidation Date means the date of disinvestment of the Eligible Investments made by the Cash Manager in respect of each Collection Period falling not later than one Business Day following the Servicer Report Date; the first Liquidation Date will fall in October 2012.

Luxembourg Listing Agent means Deutsche Luxembourg Societe Anonime.

Mandatory Tests means the tests provided for under article 3 of the MEF Decree.

Margin has the meaning ascribed to it in the relevant Final Terms.

Master Transfer Agreement means the master transfer agreement entered into on or about the Initial Issue Date, as amended from time to time, between the Seller and the Guarantor

Maturity Date has the meaning ascribed to it in the Final Terms.

Maximum Rate of Interest has the meaning ascribed to it in the relevant Final Terms.

Maximum Redemption Amount has the meaning ascribed to it in the relevant Final Terms.

Meeting has the meaning ascribed to it in the Rules of the Organisation of the Covered Bondholders.

Minimum Rate of Interest has the meaning ascribed to it in the relevant Final Terms.

Minimum Redemption Amount has the meaning ascribed to it in the relevant Final Terms.

Monte Titoli means Monte Titoli S.p.A., a *società per azioni* having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

Monte Titoli Account Holders means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System.

Moody's means Moody's Investors Service, Limited.

Mortgage Loans means Italian residential mortgage loans (*mutui ipotecari residenziali*) pursuant to Article 2, paragraph 1, lett. (a), of the MEF Decree.

Mortgage Cover Pool means, collectively, all the Mortgage Loans.

Mortgage Pool Swap means any portfolio swap agreement that may be entered into between the Guarantor and the relevant Mortgage Pool Swap Counterparty in order to hedge interest rate risk on the Mortgage Cover Pool.

Mortgage Pool Swap Counterparty means any swap counterparty which agrees to act as such under the Mortgage Pool Swap.

Notice to Pay means the notice to be served by the Representative of the Covered Bondholders on the Guarantor pursuant to the Intercreditor Agreement upon the occurrence of an Issuer Event of Default.

Official Gazette means the *Gazzetta Ufficiale della Repubblica Italiana*.

Optional Redemption Amount (Call) 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 relevant Final Terms.

Optional Redemption Amount (Put) 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 relevant Final Terms.

Optional Redemption Date (Call) has the meaning ascribed to it in the relevant Final Terms.

Optional Redemption Date (Put) has the meaning ascribed to it in the relevant Final Terms.

Order means a final, non-appealable judicial or arbitration decision, ruling or award from a court of competent jurisdiction.

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

Outstanding Principal Balance means, at any date, in relation to a loan, a bond, a Series or Tranche of Covered Bonds or any other asset the aggregate nominal principal amount outstanding of such loan, bond, Series or Tranche of Covered Bonds or asset at such date.

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

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

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

Payments Report means a payments report which the Calculation Agent will distribute to the Guarantor, the Representative of the Covered Bondholders, the Principal Paying Agent, the Italian Paying Agent, the Servicer, the Swap Counterparties, the Account Bank and the Corporate Servicer.

Payment Report Date means two (2) Business Days preceding each Guarantor Payment Date; the first Payment Report Date will fall in October 2012.

Paying Agents means the Principal Paying Agent, the Italian Paying Agent and each other paying agent appointed from time to time under the terms of the Cash Management and Agency 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 Covered Bondholders, the place at which such Covered Bondholder receives payment of interest or principal on the Covered Bonds.

Post-Acceleration Report means a report containing the amount of the Available Funds, the Eligible Investments and the amounts of each of the payments and allocations to be made by the Guarantor in accordance to the Intercreditor Agreement which the Calculation Agent shall deliver to the Servicer Report, the Cash Manager Report, the Account Bank Report and evidence of the expenses and costs incurred by the Guarantor with respect to the preceding Collection Period from the Corporate Servicer.

Post-Guarantor Event of Default Priority of Payments means the order of priority pursuant to which the Available Funds shall be applied, following the delivery of an Acceleration Notice, on each Guarantor Payment Date as set out in the Intercreditor Agreement.

Post-Issuer Event of Default Priority of Payments means the order of priority pursuant to which the Available Funds shall be applied, following the delivery of a Notice to Pay, on each Guarantor Payment Date as set out in the Intercreditor Agreement.

Potential Commingling Amount has the meaning ascribed to it in the Cover Pool Administration Agreement.

Pre-Issuer Event of Default Interest Priority of Payments means the order of priority pursuant to which the Interest Available Funds shall be applied, prior to the delivery of a Notice to Pay, on each Guarantor Payment Date as set out in the Intercreditor Agreement.

Pre-Issuer Event of Default Principal Priority of Payments means the order of priority pursuant to which the Principal Available Funds shall be applied, prior to the delivery of a Notice to Pay, on each Guarantor Payment Date as set out in the Intercreditor Agreement.

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

(i) all principal amounts collected by the Servicer in respect of the Receivables and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(ii) all other recoveries in the nature of principal collected by the Servicer and credited to the Transaction Account during the Collection Period preceding the relevant Guarantor Payment Date;

(iii) all proceeds deriving from the sale, if any, of the Receivables during the Collection Period preceding the relevant Guarantor Payment Date;

(iv) without duplication with any of the proceeds deriving from the sale of the Receivables under (iii) above, all proceeds deriving from the liquidation of Eligible Investments during the Collection Period preceding the relevant Guarantor Payment Date;

(v) all amounts in respect of principal (if any) received under any Swap Agreements (other than any Swap Collateral);

(vi) any amounts to be transferred pursuant to item (x) of the Pre-Issuer Event of Default Interest Priority of Payments;

(vii) any amounts (other than the amounts already allocated under other items of the Interest Available Funds or the Principal Available Funds) received by the Guarantor from any party to the Transaction Documents during the immediately preceding Collection Period.

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

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Principal Paying Agent.

Priority of Payments means each of the orders in which the Available Funds shall be applied on each Guarantor Payment Date as set out in the Intercreditor Agreement.

Programme Limit means up to Euro 4,000,000,000 (and for this purpose, any Covered Bonds (*Obbligazioni Bancarie Garantite*) denominated in another currency shall be translated into Euro at the date of the agreement to issue such Covered Bonds, and the

Euro exchange rate used shall be included in the Final Terms) in aggregate principal amount of Covered Bonds outstanding at any time.

Programme Resolution has the meaning ascribed to it in the Rules of the Organisation of the Covered Bondholders.

Public Assets means pursuant to article 2, sub-paragraph 1, of MEF Decree, any receivables owned or securitues issued by, or having the benefit of a guarantee eligible for credit risk mitigation granted by:

(a) Public Entities, including ministerial bodies and local or regional bodies, located within an Eligible State for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach; and

(b) Public Entities, located outside an Eligible State, for which a 0% risk weight is applicable in accordance with the Bank of Italy's prudential regulations for banks – standardised approach – or regional or local public entities or non-economic administrative entities, located outside an Eligible State, for which a risk weight not exceeding 20% is applicable in accordance with the Bank of Italy's prudential regulations for banks - standardised approach,

provided that the Public Assets may not amount to more than 10% of the aggregate nominal value of the Cover Pool and further provided that such limit may be temporarily exceeded if necessary in order to cure a breach of Tests.

Public Entities has the meaning ascribed to such term in article 2, letter (c) of MEF Decree.

Put Option has the meaning ascribed to it in the relevant Final Terms.

Put Option Notice means a notice which must be delivered to the Paying Agents, the Calculation Agent and the Asset Monitor by any Covered Bondholder wanting to exercise a right to redeem Covered Bonds at the option of the Covered Bondholder.

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

Qualifying Country means a country rated at the time of such investment or contractual commitment providing for such investment in such obligations, at least P-2 by Moody's.

Quota Capital Account means a euro-denominated account with IBAN: IT08I0103061622000061259034, opened in the name of the Guarantor with Banca Monte dei Paschi di Siena S.p.A., or any other account as may replace it in accordance with the Cash Management and Agency Agreement.

Quotaholders' Agreement means the quotaholder agreement executed on or about the Initial Issue Date, by, *inter alios*, the Issuer and SVM Securitisation Vehicles Management S.r.l.

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 these Conditions and/or the relevant Final Terms.

Rating Agency means Moody's Investors Services Limited and/or any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme.

Receivables means collectively the Initial Receivables and any other Subsequent Receivables which have been purchased and will be purchased by the Guarantor in accordance with the terms of the Master Transfer Agreement.

Redemption Amount means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

Reference Banks has the meaning 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.

Reference Price has the meaning ascribed to it in the relevant Final Terms.

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 CB Payment Date and each successive period from and including one CB Payment Date to but excluding the next CB Payment Date;

(ii) in the case of Covered Bonds where, apart from the first CB 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 CB Payment Date falls; and

(iii) in the case of Covered Bonds where, apart from one CB Interest Period other than the first CB 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 CB Payment Date falls other than the CB Payment Date falling at the end of the irregular CB Interest Period.

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

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Covered Bondholders.

Relevant Dealer means, in relation to a Series or Tranche, the Dealer which is party to any agreement (whether oral or in writing) entered into with the Issuer and the Guarantor for the issue by the Issuer and the subscription by such Dealer of such Series or Tranche pursuant to the Programme Agreement.

Relevant Financial Centre has the meaning ascribed to it in the relevant Final Terms.

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

Relevant Time has the meaning ascribed to it in the relevant Final Terms.

Representative of the Covered Bondholders means the entity that will act as representative of the holders of each Series or Tranche of Covered Bonds pursuant to the Transaction Documents.

Required Reserve Amount means (a) if the Issuer's short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, nil or such other amount as the Issuer shall direct the Guarantor from time to time and otherwise, an amount which will be determined on each Payment Report Date and which will be equal to one-third of the estimate of the quarterly amount payable under items from (i) to (v) of the Pre-Issuer Event of Default Interest Priority of Payment at the following Payment Report Date; or (b) any other higher amount that may be required by the relevant implementing provisions of 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 and communicated by the Issuer to the Calculation Agent before each relevant Payment Report Date.

Reserve Account means a euro-denominated account with IBAN: GB96DEUT40508176482401, opened in the name of the Guarantor with the Account Bank, or any other account as may replace it in accordance with the Cash Management and Agency Agreement.

Reserve Fund means any amounts standing to the credit of the Reserve Account up to the Required Reserve Amount.

Scheduled Interest means the amount in respect of interest which would have been due and payable by the Issuer under the Covered Bonds on each CB Payment Dates falling on or after service of a Notice to Pay on the Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest: the **Excluded Scheduled Interest Amounts**) but including such Excluded Scheduled Interest Amounts (whenever the same arose) following service of an Acceleration

Notice if the Covered Bonds had not become due and repayable prior to their Maturity Date or Extended Maturity Date (if so specified in the relevant Final Terms) or where applicable, after the Maturity Date such other amounts of interest as may be specified in the relevant Final Terms, less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made under the circumstances set out in the Conditions.

Scheduled Principal means the amount in respect of principal which would have been due and payable by the Issuer under the Covered Bonds on each CB Payment Dates or the Maturity Date (as the case may be) (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, or premiums: the **Excluded Scheduled Principal Amounts**) but including such Excluded Scheduled Principal Amounts (whenever the same arose) following service of an Acceleration Notice if the Covered Bonds had not become due and repayable prior to their Maturity Date and, if the Final Terms specifies that an Extended Maturity Date is applicable to relevant Series or Tranche, if the maturity date of such Series or Tranche had been the Extended Maturity Date. **Screen Rate Determination** means that the Rate of Interest will be determined in accordance with Condition 6(iii) (*Screen Rate Determination*).

Secured Creditors means, collectively, the Representative of the Covered Bondholders (in its own capacity and as legal representative of the Covered Bondholders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Back-up Servicer Facilitator and the Back-up Servicer (if any), the Corporate Servicer, the Account Bank, the Principal Paying Agent, the Italian Paying Agent, the Swap Counterparties, the Cash Manager, the Luxembourg Listing Agent, the Asset Monitor, the Cover Pool Manager (if any) and the Calculation Agent.

Securities Account means the securities account that may be opened in the future in the name of the Guarantor with the Account Bank.

Selected Assets has the meaning ascribed to it in the Cover Pool Administration Agreement.

Seller means DB S.p.A.

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

Servicer means DB S.p.A.

Servicer Report means a statement including information on the activity of the Servicer in the preceeding three months, which the Servicer will deliver to the Transferee, the Corporate Servicer, the Calculation Agent, the Cash Manager, the Swap Counterparties, the Representative of the Covered Bondholders and the Rating Agency.

Servicing Agreement means the servicing agreement entered into on or about the Initial Issue Date as amended from time to time, between the Guarantor and the Servicer.

Specified Currency has the meaning ascribed to it in the relevant Final Terms.

Specified Denomination(s) has the meaning ascribed to it in the relevant Final Terms.

Specified Office means with reference to the Principal Paying Agent, Winchester House, 1 Great Winchester Street, London EC2N 2DB or such other office in the same city or town as the Principal Paying Agent may specify by notice to the Issuer and the other parties to the Cash Management and Agency Agreement in the manner provided therein.

Specified Period has the meaning ascribed to it in the relevant Final Terms.

Subordinated Loan Agreement means the subordinated loan agreement entered into on or about the Initial Issue Date as amended from time to time, between the Subordinated Loan Provider and the Guarantor.

Subordinated Loan Provider means the DB S.p.A. and any successor thereof, appointed as subordinated loan provider in accordance with the Subordinated Loan Agreement.

Subsequent Receivables means the Eligible Assets or Integration Assets comprised in any portfolio of receivables, other than the portfolio of Initial Receivables, which may be purchased by the Guarantor pursuant to the terms and subject to the conditions of the Master Transfer Agreement (other than deposits with banks residing in Eligible States pursuant to Article 2, para. 3 of the MEF Decree).

Subsidiary has the meaning ascribed to it in Article 2359 of the Italian Civil Code.

Swap Agreements means collectively the Mortgage Pool Swaps, the Covered Bond Swaps and the Asset Swaps.

Swap Collateral means at any time, any asset (including, without limitation, cash and/or securities) transferred by the relevant Swap Counterparty to the Guarantor pursuant to the relevant CSA.

Swap Counterparties means the Mortgage Pool Swap Counterparties, the Covered Bond Swap Counterparties and, as the case may be, the Asset Swap Counterparty.

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

TARGET Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Test Performance Report means the report to be made available, on each Calculation Date, including following the delivery of a Breach of Test Notice, by the Calculation Agent pursuant to the terms of the Cover Pool Administration Agreement.

Tests means, collectively, the Mandatory Tests, the Asset Coverage Test and the Amortisation Test.

Transaction Account means a euro-denominated with IBAN: GB26DEUT40508176482400, opened in the name of the Guarantor with the Account Bank, or any other account as may replace it in accordance with the provisions of the Cash Management and Agency Agreement.

Transaction Documents means collectively the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Intercreditor Agreement, the Cover Pool Administration Agreement, the Corporate Servicer Agreement, the Subordinated Loan Agreement, the Covered Bond Guarantee, the Cash Management and Agency Agreement, the Asset Monitor Agreement, the Programme Agreement, the Quotaholders' Agreement, the Italian Deed of Pledge, the Swap Agreements, the Deed of Charge, the Subscription Agreement, the Mandate Agreement, this Base Prospectus and any document or agreement which supplement, amend or restate the content of any of the above mentioned documents and any further documents which is necessary in the context of the Programme.

Warranty and Indemnity Agreement means the warranty and indemnity agreement entered into on or about the Initial Issue Date between the Seller and the Guarantor.

Zero Coupon Covered Bond means a Covered Bond specified as such in the relevant Final Terms.

Zero Coupon Provisions means Condition 7 (Zero Coupon Provisions).

(ii) *Interpretation*: in these Conditions:

(A) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (Taxation), any premium payable in respect of a Series or Tranche of Covered Bonds and any other amount in the nature of principal payable pursuant to these Conditions;

(B) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;

(C) if an expression is stated in Condition 2(i) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Covered Bonds;

(D) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented up to and including the Issue Date of the relevant Covered Bonds;

(E) any reference to a party to a Transaction Document (other than the Issuer and the Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Series or Tranche only; and

(F) any reference in any Italian legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. FORM, DENOMINATION AND TITLE

The Covered Bonds are in the Specified Denomination(s), which may include a minimum denomination 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, in each case as specified in the relevant Final Terms. The Covered Bonds will be issued in bearer form and will be held in dematerialised form (*emesse in forma dematerializzata*) on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Covered Bonds will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of (i) Article 83-*bis* et seq. of the Financial Law and the relevant implementing regulations, and (ii) the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as amended and supplemented from time to time. No physical documents of title will be issued in respect of the Covered Bonds. The rights and powers of the Covered Bondholders may only be exercised in accordance with this Conditions and the Rules of the Organisation of the Covered Bondholders.

4. STATUS AND GUARANTEE

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

(ii) *Status of the Covered Bond 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 Covered Bond Guarantee. However, the Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amount on the Due for Payment Date until the occurrence of an Issuer Event of Default and service by the Representative of the Covered Bondholders of a Notice to Pay on the Guarantor. The recourse of the Covered Bondholders to the Guarantor under the Guarantee will be limited to the assets of the Cover Pool. Any payment made by the Guarantor under the Covered Bond Guarantee shall discharge the corresponding obligations of the Issuer under the Covered Bonds *vis-à-vis* the Covered Bondholders.

(iii) *Priority of Payments*: amounts due by the Guarantor pursuant to the Covered Bonds Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement.

5. FIXED RATE PROVISIONS

(i) *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.

(ii) *Accrual of interest*: the Covered Bonds bear interest on its Outstanding Principal Balance from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate of Interest. Interest will be payable in arrear on each CB Payment

Date, subject as provided in Condition 9 (Payments), up to (and including) the Maturity Date, or as the case may be, the Extended Maturity Date. Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

(iii) *Fixed Coupon Amount*: the amount of interest payable in respect of each Covered Bond for any CB 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.

(iv) *Calculation of interest amount*: the amount of interest payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6. FLOATING RATE INTEREST PROVISIONS

(i) *Application*: this Condition 6 (Floating Rate Interest Provisions) is applicable to the Covered Bonds only if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable.

(ii) *Accrual of interest*: the Covered Bonds bear interest on their Outstanding Principal Balance from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each CB Payment Date, subject as provided in Condition 9 (Payments). Each Covered Bond will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Covered Bond up to that day are received by or on behalf of the relevant Covered Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

(iii) *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 CB Interest Period will be determined by the Principal Paying Agent on the following basis:

(A) 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;

(B) 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;

(C) if, in the case of (A) above, such rate does not appear on that page or, in the case of (B) 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

(D) 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 CB Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant CB 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 CB 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 CB Interest Period, the Rate of Interest applicable to the Covered Bonds during such CB 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 CB Interest Period.

(iv) *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 CB Interest Period will be the sum of the Margin and the relevant ISDA Rate where **ISDA Rate** in relation to any CB Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Paying Agent under an interest rate swap transaction if the Paying Agent were acting as Paying Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms.

(v) *Maximum or Minimum Rate of Interest*: if any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(vi) *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 CB Interest Period, calculate the Interest Amount payable in respect of each Covered Bond for such CB Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such CB 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.

(vii) *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.

(viii) *Publication*: the Principal Paying Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant CB 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 Italian Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and CB Payment Date) in any event not later than the first day of the relevant CB Interest Period. Notice thereof shall also promptly be given to the Covered 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 CB 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.

(ix) *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, the Covered 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.

(x) *Benchmark discontinuation*

If the Issuer (in consultation with the Principal Paying Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (with the Issuer's agreement) a Successor Rate, or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an Alternative Rate (in accordance with this Condition 6(x)) and, in either case, an Adjustment Spread, if any (in accordance with this Condition 6(x)) and any Benchmark Amendments (in accordance with this Condition 6(x)).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Rate in accordance with this Condition 6(x) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediately following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 6(x) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 6(x).

If the Independent Adviser determines with the Issuer's agreement that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(x) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(x) in the event of a further Benchmark Event affecting the Successor Rate; or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(x) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(x) in the event of a further Benchmark Event affecting the Alternative Rate.

If the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(x) and the Independent Adviser determines, with the Issuer's agreement, (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Principal Paying Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with this Condition 6(x), without any requirement for the consent or approval of relevant Covered Bondholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Cash Allocation Management and Payments Agreement and these Conditions as may be required in order to give effect to this Condition 6(x)).

Should the Issuer seek to adopt an Alternative Rate to replace the EURIBOR or appoint an Independent Adviser pursuant to this Condition 6(x), the Issuer and/or the Independent Adivoser will take into account the operational requirements of the Principal Paying Agent, or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), in determining such Alternative Rate and the associated operational matters. Should the Principal Paying Agent, or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), be unable to perform the necessary calculations or is unsure of what action to take, the Principal Paying Agent, or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), may seek instructions from the Issuer and shall not be responsible for any failure or delay by the Issuer in providing such instructions.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(x) will be notified promptly by the Issuer to the Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(x); and

(B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Principal Paying Agent and the Covered Bondholders.

As used in this Condition 6(x):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, with the Issuer's agreement, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser, with the Issuer's agreement, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser, with the Issuer's agreement, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (with the Issuer's agreement) determines in accordance with this Condition 6(x) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Event**" means:

(A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Covered Bonds; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such

Reference Rate is no longer representative of an underlying market; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent to calculate any payments due to be made to any Covered Bondholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C) or (D) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

"**Benchmark Amendments**" has the meaning given to it in Condition 6(x).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 6(x).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

7. ZERO COUPON PROVISIONS

(i) *Application:* this Condition 7 (Zero Coupon Provisions) is applicable to the Covered Bonds only if the Zero Coupon Provisions are specified in the relevant Final Terms as being applicable.

(ii) *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:

(A) the Reference Price; and

(B) 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 Covered Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Covered Bondholders that it has received all sums due in respect of the Covered Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

8. REDEMPTION AND PURCHASE

(i) *Scheduled redemption*: unless previously redeemed or purchased and cancelled as specified below, the Covered Bonds of each Series or Tranche will be redeemed at their Final Redemption Amount on the relevant Maturity Date, subject as provided in Condition 8(ii) (*Extension of Maturity*) and Condition 9 (Payments).

(ii) *Extension of maturity*: without prejudice to Condition 11 (Events of Default), if an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds and an Issuer Event of Default has occurred, following the service of a Notice to Pay on the Guarantor, the Guarantor or the Calculation Agent on its behalf determines that the Guarantor has insufficient moneys available under the relevant Priorities 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), payment of the unpaid amount by the Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Maturity Date *provided that* any amount representing the Final Redemption Amount due and remaining unpaid after the Extension Determination Date may be paid by the Guarantor on any CB Payment Date thereafter up to (and including) the relevant Extended Maturity Date.

Notwithstanding the above, if the Covered Bonds are extended as a consequence of the occurrence of an Article 74 Event, upon termination of the suspension period and service of the Article 74 Event Cure Notice, the Issuer shall resume responsibility for meeting the payment obligations under any Series of Covered Bonds in respect of which an Extension of Maturity has occurred, and any Final Redemption Amount shall be due for payment on the last Business Day of the month on which the Article 74 Event Cure Notice has been served.

The Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 17 (Notices), any relevant Swap Counterparties, the Rating Agency, the Representative of the Covered Bondholders and the Principal Paying Agent as soon as reasonably practicable and in any event at least one Business Day prior to the relevant Maturity Date of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series or Tranche of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the relevant Due for Payment Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priorities of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount in respect of the relevant Series or Tranche of Covered Bonds and shall pay Guaranteed Amounts constituting interest in respect of each such Covered Bond on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Final Redemption

Amount not so paid on such Due for Payment Date shall be deferred as described above.

Interest will continue to accrue on any unpaid amount during such extended period and be payable on the Maturity Date and on each CB Payment Date up to and on the Extended Maturity Date.

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.

(iii) *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 8(iii) (*Redemption by instalments*), the outstanding principal amount of each such Covered Bonds shall be reduced by the relevant Instalment Amount for all purposes.

(iv) *Extension of principal instalments*: without prejudice to Condition 11 (Events of Default), if an Extended Instalment Date is specified as applicable in the relevant Final Terms for a Series or Tranche of Covered Bonds whose principal is payable in instalments and an Issuer Event of Default has occurred, following the service of a Notice to Pay on the Guarantor, the Guarantor or the Calculation Agent on its behalf determines that the Guarantor has insufficient moneys available under the relevant Priorities of Payments to pay the Guaranteed Amounts corresponding to the Instalment Amount in full in respect of the relevant Series or Tranche of Covered Bonds on the date falling on the Instalment Extension Determination Date, then (subject as provided below), payment by the Guarantor under the Covered Bond Guarantee of each of (a) such Instalment Amount and (b) all subsequently due and payable Instalment Amounts shall be deferred until the Extended Instalment Date *provided that* any amount representing the Instalment Amounts due and remaining unpaid after the Instalment Extension Determination Date may be paid by the Guarantor on any CB Payment Date thereafter up to (and including) the relevant Extended Instalment Date.

Notwithstanding the above, if the Covered Bonds are extended as a consequence of the occurrence of an Article 74 Event, upon termination of the suspension period and service of the Article 74 Event Cure Notice, the Issuer shall resume responsibility for meeting the payment obligations under any Series of Covered Bonds in respect of which an extension of principal instalments in accordance with this Condition 8(iv) (*Extension of principal instalments*) has occurred, and any payable Instalment Amount shall be due for payment on the last Business Day of the month on which the Article 74 Event Cure Notice has been served.

The Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 17 (Notices), any relevant Swap Counterparties, the Rating Agency, the Representative of the Covered Bondholders and the Principal Paying Agent as soon as reasonably practicable and in any event at least one Business Day prior to the relevant Covered Bond Instalment Date of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the relevant Instalment Amount in respect of a Series or Tranche of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the Guarantor shall on the relevant Due for Payment Date following the applicable Instalment Extension Determination Date until the applicable Extended Instalment Date, pursuant to the Covered Bond Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the relevant Priorities of Payments) *pro rata* in part payment of an amount equal to the relevant Instalment Amount in respect of the relevant Series or Tranche of Covered Bonds and shall pay Guaranteed Amounts constituting interest in respect of each such amounts on such date. The obligation of the Guarantor to pay any amounts in respect of the balance of the Instalment Amount not so paid on such Due for Payment Date shall be deferred as described above.

Interest will continue to accrue on any unpaid amount during such extended period and be payable on the relevant Covered Bond Instalment Date and on each CB Payment Date up to and on the Extended Instalment Date.

Where an Extended Instalment 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 relevant Covered Bond Instalment Date by the Guarantor shall not constitute a Guarantor Event of Default.

(v) *Redemption for tax reasons*: the Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part:

(A) at any time (if neither the Floating Rate Provisions are specified in the relevant Final Terms as being applicable); or

(B) on any CB Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Covered Bondholders (which notice shall be irrevocable), at their Early Redemption Amount, 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 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Series or Tranche of Covered Bonds; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

(1) where the Covered Bonds may be redeemed at any time, 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

(2) where the Covered Bonds may be redeemed only on an CB Payment Date, 60 days prior to the CB Payment Date occurring immediately before the

earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Covered Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Italian Paying Agent and the Principal Paying Agent with copy to the Luxembourg Listing Agent and the Representative of the Covered Bondholders a certificate signed by duly authorised officers 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 (and such evidence shall be sufficient to the Italian Paying Agent and the Principal Paying Agent and conclusive and binding on the Covered Bondholders). Upon the expiry of any such notice as is referred to in this Condition 8(v) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Covered Bonds in accordance with this Condition 8(v) (*Redemption for tax reasons*).

(vi) *Redemption at the option of the Issuer*: if the Call Option is specified in the relevant Final Terms as being applicable, the Covered Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Covered Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Covered Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(vii) *Partial redemption*: if the Covered Bonds are to be redeemed in part only on any date in accordance with Condition 8(vi) (*Redemption at the option of the Issuer*), the Covered Bonds to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the Covered Bonds will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Covered Bonds have then been admitted to listing, trading and/or quotation. The notice to Covered Bondholders referred to in Condition 8(vi) (*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.

(viii) *Redemption at the option of Covered Bondholders*: if the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any Covered Bondholder redeem such Covered Bonds held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(viii) (*Redemption at the option of Covered Bondholders*), the Covered Bondholder must, not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Principal Paying Agent a duly completed Put Option Notice 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 depositing Covered Bondholder. Once deposited in accordance with this Condition 8(viii) (*Redemption at the option of Covered 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 Covered Bondholder at such address as may have been given by such Covered Bondholder in the relevant Put Option Notice and shall hold such Covered Bond against surrender of the relevant Put Option Receipt. For so long as any outstanding Covered Bonds are held by the Principal Paying Agent in accordance with this Condition 8(viii) (*Redemption at the option of Covered Bondholders*), the Covered Bondholder and not the Principal Paying Agent shall be deemed to be the holder of such Covered Bonds for all purposes.

(ix) *No other redemption*: the Issuer shall not be entitled to redeem the Covered Bonds otherwise than as provided in Conditions 8(i) (*Scheduled redemption*) to (viii) (*Redemption at the option of Covered Bondholders*) above.

(x) *Early redemption of Zero Coupon Covered Bonds*: 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:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Covered Bonds become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(x) (*Early redemption of Zero Coupon Covered Bonds*) or, if none is so specified, a Day Count Fraction of 30E/360.

(xi) *Purchase*: the Issuer or any of the other banks belonging to the Deutsche Bank S.p.A. Group may at any time purchase or procure others to purchase for its account Covered Bonds at any price in the open market or otherwise. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or any of the other banks belonging to the Deutsche Bank S.p.A. Group, cancelled. The Guarantor shall not purchase any Covered Bonds at any time.

(xii) *Cancellation*: all Covered Bonds which are redeemed or purchased and subsequently surrendered for cancellation shall forthwith be cancelled and may not be reissued or resold.

(xiii) *Redemption due to illegality*: the Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Representative of the Covered Bondholders and the Principal Paying Agent and, in accordance with Condition 17 (Notices), all Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Representative of the Covered Bondholders immediately before the giving of such notice that it has, or will, before the next CB Payment Date of any Covered Bond of any Series or Tranche, become unlawful for the Issuer to make any payments under the Covered Bonds as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next CB Payment Date.

Covered Bonds redeemed pursuant to this Condition 8(xiii) (*Redemption due to illegality*) will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

9. PAYMENTS

(i) *Payments through clearing systems*: payment of interest and repayment of principal in respect of the Covered Bonds will be credited, in accordance with the instructions of Monte Titoli, by the Italian Paying Agent on behalf of the Issuer or the Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Covered Bonds and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Covered Bonds or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those Covered Bonds, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(ii) *Payments subject to fiscal laws*: all payments in respect of the Covered Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to Covered Bondholders in respect of such payments.

(iii) *Payments on business days*: if the due date for payment of any amount in respect of any Covered Bond is not a Payment Business Day in the Place of Payment, the Covered Bondholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

10. TAXATION

(i) *Gross up by the 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 Covered Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Covered Bond:

(A) in respect to any payment or deduction of any interest, premium or other proceeds of any Covered Bonds on account of *imposta sostitutiva* pursuant to

Legislative Decree No. 239 of 1 April 1996, as amended from time to time (**Decree No. 239**); or

(B) with respect to any Covered Bond presented for payments:

(A) in the Republic of Italy; or

(B) by or on behalf of a holder who is liable for such taxes or duties in respect of such Covered Bond by reason of his having some connection with the Republic of Italy other than the mere holding of such Covered Bond; or

(C) by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of such Covered Bond by making, or procuring, a declaration of non-residence or other similar claim for exemption but has failed to do so; or

(D) more than 30 days after the Maturity Date except to the extent that the relevant holder would have been entitled to an additional amount on presenting such Covered Bond for payment on such thirtieth day assuming that day to have been a Business Day; or

(E) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts 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 Republic of Italy; or

(F) in respect of any Covered Bonds where such withholding or deduction is required pursuant to Presidential Decree No. 600 of September 29, 1973; or

(G) in respect of Covered Bonds 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; or

(C) held by or on behalf of a Covered Bondholder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond to a Paying Agent in another Member State of the EU; or

(D) where such withholding or deduction is imposed pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(ii) *Taxing jurisdiction*: if the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11. EVENTS OF DEFAULT

(i) *Issuer Events of Default*

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

(A) failure by the Issuer for a period of 15 days or more to pay any principal or redemption amount or any interest on the Covered Bonds of any Series or Tranche when due; or

(B) breach by the Issuer of any material obligations under or in respect of the Covered Bonds (of any Series or Tranche outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to ensure compliance of the Cover Pool with the Tests) and (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required), and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Issuer, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(C) if, following the delivery of a Breach of Test Notice, the Tests are not met at, or prior to, the next Calculation Date unless the Representative of the Covered Bondholders or a Meeting of the Covered Bondholders resolves by Extraordinary Resolution otherwise; or

(D) an Insolvency Event of the Issuer; or

(E) an Article 74 Event;

this sentence follow from previous page, the Representative of the Covered Bondholders will serve the Notice to Pay on the Issuer and Guarantor that an Issuer Event of Default has occurred, (specifying, in case of an Article 74 Event, that the Issuer Event of Default may be temporary) unless an Extraordinary Resolution is passed resolving otherwise. In case on conflict between the Representative of the Covered Bondholders and the Extraordinary Resolution passed in a Meeting, the latter will prevail.

(ii) *Effect of a Notice to Pay*

Upon service of a Notice to Pay to the Issuer and the Guarantor:

(A) each series and/or tranche of Covered Bonds will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (a) such events shall not trigger an acceleration against the Guarantor, (b) pursuant to the Covered Bond Guarantee, the Guarantor shall pay an amount equal to the Guaranteed Amounts, subject to and in accordance with the Post-Issuer Event of Default Priority of Payments, on the relevant Due for Payment Date, (c) in accordance with terms and conditions provided for by the Covered Bond Guarantee and with Article 4, Para. 3, of the MEF Decree and pursuant to the relevant provisions of the Transaction Documents, the Guarantor shall exercise, on an exclusive basis, the rights of the Covered Bondholders vis-à-vis the Issuer and any amount recovered from the Issuer will be part of the Available Funds provided that (d) in case of an Article 74 Event, the effects listed in items from (a) to (c) above will only apply for as long as the Suspension Period and accordingly (A) the Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the Covered Bonds during the Suspension Period and (B) upon the end of the Suspension Period the Issuer shall be responsible for meeting the payment obligations under the Covered Bonds (and for the avoidance of doubts, the Covered Bonds then outstanding will not be deemed to be accelerated against the Issuer);

(B) the Guarantor shall exercise, on an exclusive basis, the right of the Covered Bondholders vis-à-vis the Issuer in accordance with the provisions of the Covered Bond Guarantee, in the context of which the Covered Bondholders irrevocably delegate – also in the interest and for the benefit of the Guarantor – to the Guarantor the exclusive right to proceed against the Issuer to enforce the performance of any of the payment obligations of the Issuer under the Covered Bonds including any rights of enforcing any acceleration of payment provisions provided under these Conditions or under the applicable legislation. For this purpose the Representative of the Covered Bondholders on behalf of the Covered Bondholders, upon request of the Guarantor, shall provide the Guarantor with any powers of attorney and/or mandates as the latter may deem reasonably necessary or expedient for taking all necessary steps to ensure the timely and correct performance of its mandate.

In accordance with the Covered Bond Guarantee, the Representative of the Covered Bondholders on behalf of the Covered Bondholders has confirmed such delegation and waived any rights of the Covered Bondholders to revoke such delegation and take any such individual action against the Issuer;

(C) without prejudice to paragraph (A) above, interest and principal falling due on the Covered Bonds will be payable by the Guarantor at the time and in the manner provided under these Conditions, subject to and in accordance with the terms of the Covered Bond Guarantee and the Priority of Payments to creditors set out in the Intercreditor Agreement;

(D) the Mandatory Tests shall continue to be applied and the Amortisation Test shall be also applied;

(E) no further Covered Bonds will be issued.

Suspension Period means the period of time following a resolution pursuant to Article 74 of the Consolidated Banking Act is passed in respect of the Issuer (the **Article 74 Event**), in which the Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the Guaranteed Amounts due and payable within the entire period in which the suspension continues.

The Suspension Period shall end upon delivery by the Representative of the Covered Bondholders of 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.

(iii) *Guarantor Events of Default*

Following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, if any of the following events (each, a **Guarantor Events of Default**) occurs and is continuing:

(A) default by the Guarantor for a period of 15 days or more in the payment of any amounts due for payment in respect of the Covered Bonds of any Series or Tranche; or

(B) breach of the Mandatory Tests or the Amortisation Test on any Calculation Date; or

(C) breach by the Guarantor of any material obligations under or in respect of the Covered Bonds (of any Series or Tranche outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Covered Bonds and/or any obligation to ensure compliance of the Cover Pool with the Tests) and (except where, in the sole opinion of the Representative of the Covered Bondholders, such default is not capable of remedy in which case no notice will be required), and such failure remains unremedied for 30 days after the Representative of the Covered Bondholders has given written notice thereof to the Guarantor, certifying that such failure is, in its opinion, materially prejudicial to the interests of the Covered Bondholders and specifying whether or not such failure is capable of remedy; or

(D) an Insolvency Event of the Guarantor,

then the Representative of the Covered Bondholders shall, subject to be indemnified and/or prefunded to its satisfaction, serve the Acceleration Notice on the Guarantor that a Guarantor Event of Default has occurred, unless an Extraordinary Resolution is passed resolving otherwise. In case on conflict between the Representative of the Covered Bondholders and the Extraordinary Resolution passed in a Meeting, the latter will prevail.

(iv) *Effect of an Acceleration Notice*

From and including the date on which the Representative of the Covered Bondholders delivers an Acceleration Notice upon the Guarantor:

(A) the Covered Bonds shall become immediately due and payable at their Early Redemption Amount together, if appropriate, with any accrued interest;

(B) if a Guarantor Event of Default is triggered with respect to a Series or Tranche, each Series and/or Tranche of Covered Bonds will cross accelerate at the same time against the Guarantor, becoming due and payable, and they will rank *pari passu* amongst themselves; and

(C) subject to and in accordance with the terms of the Covered Bond Guarantee, the Representative of the Covered Bondholders, on behalf of the Covered Bondholders, shall have a claim against the Guarantor for an amount equal to the Early Redemption Amount, together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 10(i) (*Gross up by Issuer*) in accordance with the Priority of Payments set out in the Intercreditor Agreement; and

(D) subject to the failure of the Guarantor in taking the necessary actions pursuant to Condition 11(iv)(B) above, the Representative of the Covered Bondholders on behalf of the Covered Bondholders shall be entitled to take any steps and proceedings against the Issuer to enforce the provisions of the Covered Bonds. The Representative of the Covered Bondholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Guarantor as it may think fit to enforce such payments, but it shall, subject to be indemnified and/or prefunded to its satisfaction, not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the Covered Bondholders.

(v) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 (Events of Default) by the Representative of the Covered Bondholders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor and all Covered Bondholders and (in such absence as aforesaid) no liability to the Covered Bondholders, the Issuer or the Guarantor shall attach to the Representative of the Covered Bondholders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

12. 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.

13. REPRESENTATIVE OF THE COVERED BONDHOLDERS

(i) The Organisation of the Covered Bondholders shall be established upon, and by virtue of, the issuance of the first Series or Tranche of Covered Bonds under the Programme and shall remain in force and in effect until repayment in full or cancellation of all Covered Bonds of whatever Series or Tranche. Pursuant to the Rules of the Organisation of the Covered Bondholders, for as long as the Covered Bonds are outstanding, there shall at all times be a Representative of the Covered Bondholders. The appointment of the Representative of the Covered Bondholders as legal representative of the Organisation of the Covered Bondholders is made by the Covered Bondholders subject to and in accordance with the Rules of the Organisation of the Covered Bondholders.

(ii) In the Programme Agreement, the Dealers have appointed the Representative of the Covered Bondholders to perform the activities described in the Programme Agreement, in these Conditions (including the Rules of the Organisation of the Covered Bondholders), in the Intercreditor Agreement and in the other Transaction Documents, and the Representative of the Covered Bondholders has accepted such appointment for the period commencing on the Issue Date and ending (subject to early termination of its appointment) on the date on which all of the Covered Bonds have been cancelled or redeemed in accordance with these Conditions.

(iii) Each Covered Bondholder, by reason of holding Covered Bonds:

(A) recognises the Representative of the Covered Bondholders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative of the Covered

Bondholders in such capacity as if such Covered Bondholder were a signatory thereto; and

(B) acknowledges and accepts that the Dealers shall not be liable, without prejudice for the provisions set forth under article 1229 of the Italian Civil Code, in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the Covered Bondholders as a result of the performance by the Representative of the Covered Bondholders of its duties or the exercise of any of its rights under the Transaction Documents.

14. LIMITED RECOURSE AND NON PETITION

(i) *Limited recourse*: the obligations of the Guarantor under the Covered Bond Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the Guarantor, collateralised by the Cover Pool as provided under the OBG Regulations. The recourse of the Covered Bondholders to the Guarantor under the Covered Bond Guarantee will be limited to the assets comprised in the Cover Pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the Covered Bondholders.

(ii) *Non petition*: only the Representative of the Covered Bondholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the Covered Bond Guarantee and no Covered Bondholder shall be entitled to proceed directly against the Guarantor to obtain payment of the Guaranteed Amounts or to enforce the Covered Bond Guarantee. In particular:

(A) no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders, where appropriate) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Covered Bondholders to enforce the Covered Bond Guarantee or take any proceedings against the Guarantor to enforce the Covered Bond Guarantee;

(B) no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders, where appropriate) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Guarantor for the purpose of obtaining payment of any amount due from the Guarantor;

(C) until the date falling one year and one day after the date on which all Series and/or Tranche of Covered Bonds issued in the context of the Programme, or any other similar programme established for the issuance of covered bond guaranteed by the Guarantor, have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or *pari passu* thereto, no Covered Bondholder (nor any person on its behalf, other than the Representative of the Covered Bondholders) shall initiate or join any person in initiating an Insolvency Event in relation to the Guarantor; and

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

15. AGENTS

In acting under the Cash Management and Agency Agreement and in connection with the Covered Bonds, the Paying Agents will act solely as agents of the Issuer and, following service of a Notice to Pay or an Acceleration Notice, as agent of the Guarantor and do not assume in the framework of the Programme any obligations towards or relationship of agency or trust for or with any of the Covered Bondholders.

The Principal Paying Agent and its initial Specified Offices are set out in these Conditions. Any additional Paying Agent and its Specified Offices (if any) are specified in the relevant Final Terms. The Issuer, and (where applicable) the Guarantor, reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint an additional or successor paying agent; *provided, however, that*:

(i) the Issuer, and (where applicable) the Guarantor, shall at all times maintain a paying agent; and

(ii) the Issuer, and (where applicable) 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 pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; and

(iii) if and for so long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer, and (where applicable) the Guarantor, shall maintain a paying agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in its Specified Offices shall promptly be given to the Covered Bondholders.

16. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Covered Bondholders, create and issue further Covered Bonds having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Covered Bonds.

Should the Issuer cease to comply with the requirements set forth by the OBG Regulations and any other applicable regulation to Italian banks in connection with the issue of covered bonds, no further Covered Bonds will be issued under the Programme and the Issuer shall take any steps - including the execution of any amendments to the Transaction Documents and the Conditions, if necessary - required under the applicable law and legislation to ensure fulfilments of its obligations under the Covered Bonds and the Programme.

17. NOTICES

(i) Any notice regarding the Covered Bonds, as long as the Covered Bonds are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(ii) As long as the Covered Bonds are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to the Covered Bondholders shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

(iii) The Representative of the Covered Bondholders shall be at liberty to sanction any other method of giving notice to Covered 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 trading and provided that notice of such other method is given to the Covered Bondholders in such manner as the Representative of the Covered Bondholders shall require.

18. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (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.

19. GOVERNING LAW AND JURISDICTION

(i) These Covered Bonds are governed by Italian law. All other Transaction Documents are governed by Italian law, save for the Swap Agreements and the Deed of Charge which are governed by English law.

(ii) The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the Covered Bonds or their validity, interpretation or performance.

(iii) Anything not expressly provided for in these Conditions will be governed by the provisions of Law 130 and, if applicable, Article 58 of the Consolidated Banking Act, BoI Regulations and MEF Decree.

RULES OF THE ORGANISATION OF THE COVERED BONDHOLDERS

TITLE I

GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Covered Bondholders in respect of each Series or Tranche of Covered Bonds issued under the Programme by Deutsche Bank S.p.A. is created concurrently with the issue and subscription of the Covered Bonds of each such Series or Tranche and is governed by these Rules of the Organisation of the Covered Bondholders (the **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

In these Rules, the terms below shall have the following meanings:

Block Voting Instruction means, in relation to a Meeting, a document issued by the Italian Paying Agent:

(a) certifying that specified Covered Bonds are held to the order of the Principal Paying Agent or under its control and have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Principal Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the Covered Bonds are Blocked Covered Bonds and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Covered Bondholders;

(b) certifying that the Covered Bondholder of the relevant Blocked Covered Bonds or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Covered Bonds are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number 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 the Monte Titoli Account Holder or the relevant custodian or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

Chairman means, in relation to any Meeting, the person who takes the chair in accordance with Article 6 (Chairman of the Meeting).

Covered Bondholder means in respect of Covered Bonds, the ultimate owner of such Covered Bonds.

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.

Liabilities means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands, judgments, proceeding or other liabilities whatsoever (including, without limitation, in respect of taxes, duties, levies and other charges) and including value added, taxes or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis.

Meeting means a meeting of Covered Bondholders (whether originally convened or resumed following an adjournment).

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with Article 83-quarter of the Financial Law and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System.

Ordinary Resolution means any resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of more than 50 per cent. of the votes cast.

Programme Resolution means an Extraordinary Resolution passed at a single meeting of the Covered Bondholders of all Series, duly convened and held in accordance with the provisions contained in these Rules to direct the Representative of the Covered Bondholders to take steps and/or institute proceedings against the Issuer or the Guarantor pursuant to Condition 11(iv) (Effect of an Acceleration Notice).

Proxy means a person appointed to vote under a Voting Certificate as a proxy or a person appointed to vote under a Block Voting Instruction, in each case other than:

(a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

Rating Agency means, collectively, Moody's Investors Service Limited and any other rating agency which may be appointed from time to time by the Issuer in relation to any issuance of Covered Bonds or for the remaining duration of the Programme.

Resolutions means the Ordinary Resolutions and the Extraordinary Resolutions, collectively.

Swap Rate means, in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in the respective Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the respective Swap Agreement has terminated or does not exist, the applicable spot rate.

Transaction Party means any person who is a party to a Transaction Document.

Voter means, in relation to a Meeting, the Covered Bondholder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction.

Voting Certificate means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time; or

(b) a certificate issued by the Principal Paying Agent stating:

(A) that Blocked Covered Bonds will not be released until the earlier of:

I a specified date which falls after the conclusion of the Meeting; and

II the surrender of such certificate to the Principal Paying Agent; and

(B) 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 holding or representing at least 75 per cent of the Outstanding Principal Balance of the Covered Bonds, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Covered Bondholders.

24 hours means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its specified office; and

48 hours means two consecutive periods of 24 hours.

Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions.

2.2 Interpretation

In these Rules:

(i) any reference herein to an **Article** shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the Covered Bondholders;

(ii) a **Successor** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

(iii) any reference to any **Transaction Party** shall be construed so as to include its and any subsequent Successors and transferees in accordance with their respective interests.

2.3 Separate Series

Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Representative of the Covered Bondholders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (Purpose of the Organisation of the Covered Bondholders) to 24 (Meetings and Separate Series) and 28 (Duties and Powers of the Representative of the Covered Bondholders) to 35 (Powers to Act on behalf of the Guarantor) shall apply *mutatis mutandis* separately and independently to the Covered Bonds of each Series. However, for the purposes of this Article 2.3:

(i) Articles 26 (Appointment, Removal and Remuneration) and 27 (Resignation of the Representative of the Covered Bondholders); and

(ii) insofar as they relate to a Programme Resolution, Articles 3 (Purpose of the Organisation of the Covered Bondholders) to 24 (Meetings and Separate Series) and 28 (Duties and Powers of the Representative of the Covered Bondholders) to 35 (Powers to Act on behalf of the Guarantor),

the Covered Bonds shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the Covered Bonds together as if they constituted a single Series and, in such Articles, the expressions **Covered Bonds** and **Covered Bondholders** shall be construed accordingly.

3. PURPOSE OF THE ORGANISATION OF THE COVERED BONDHOLDERS

3.1 Each Covered Bondholder is a member of the Organisation of the Covered Bondholders.

3.2 The purpose of the Organisation of the Covered Bondholders is to co-ordinate the exercise of the rights of the Covered Bondholders and, more generally, to take any action necessary or desirable to protect the interest of the Covered Bondholders.

TITLE II

MEETINGS OF THE COVERED BONDHOLDERS

4. CONVENING A MEETING

4.1 Convening a Meeting

The Representative of the Covered Bondholders, the Guarantor or the Issuer may convene separate or combined Meetings of the Covered Bondholders at any time and the Representative of the Covered Bondholders shall be obliged to do so upon the request in writing by Covered Bondholders representing at least one-twentieth of the aggregate Outstanding Principal Balance of the Covered Bonds.

The Representative of the Covered Bondholders, the Guarantor or the Issuer or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing signed by the holders of not less than one-twentieth of the Outstanding Principal Balance of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Representative of the Covered Bondholders or the requisitionists. The Representative of the Covered Bondholders may convene a single meeting of the Covered Bondholders of more than one Series if in the opinion of the Representative of the Covered Bondholders there is no conflict between the holders of the Covered Bonds of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

4.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Covered Bondholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

4.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Covered Bondholders.

5. NOTICE

5.1 Notice of Meeting

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Covered Bondholders and the Principal Paying Agent, with a copy to the Issuer and the Guarantor, where the Meeting is convened by the Representative of the Covered Bondholders, or with a copy to the Representative of the Covered Bondholders, where the Meeting is convened by the Issuer.

5.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Covered Bondholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that the Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Covered Bonds must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

5.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article are not complied with if the Covered Bondholders constituting the Outstanding Principal Balance of the Covered Bonds, the holders of which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the Covered Bondholders are present.

6. CHAIRMAN OF THE MEETING

6.1 Appointment of Chairman

An individual (who may, but need not be, a Covered Bondholder), nominated by the Representative of the Covered Bondholders may take the chair at any Meeting, but if:

(i) the Representative of the Covered Bondholders fails to make a nomination; or

(ii) the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

6.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and determines the mode of voting.

6.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Covered Bondholders.

7. QUORUM

The quorum at any Meeting will be:

(i) in the case of an Ordinary Resolution, one or more persons (including the Issuer if at any time it owns any of the relevant Covered Bonds) holding or representing at least 50 per cent of the Outstanding Principal Balance of the Covered Bonds of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing Covered Bondholders, whatever the Outstanding Principal Balance of the Covered Bonds so held or represented; or

(ii) in the case of an Extraordinary Resolution or a Programme Resolution (including the Issuer if at any time it owns any of the relevant Covered Bonds) (subject as provided below), one or more persons holding or representing at least 50 per cent. of the Outstanding Principal Balance of the Covered Bonds of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing Covered Bondholders of the relevant Series for the time being outstanding, whatever the Outstanding Principal Balance of the Covered Bonds so held or represented; or

(iii) at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 32 (Waiver), only be capable of being effected after having been approved by Extraordinary Resolution) namely:

(A) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the 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 Covered Bond Guarantee or the Italian Deed of Pledge or the Deed of Charge (except in a manner determined by the Representative of the Covered Bondholders not to be materially prejudicial to the interests of the Covered Bondholders of any Series);

(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 7(iii).

(each a **Series Reserved Matter**), the quorum shall be one or more persons (including the Issuer if at any time it owns any of the relevant Covered Bonds) being or representing holders of not less two-thirds of the aggregate Outstanding Principal Balance of the Covered Bonds of such Series 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 Outstanding

Principal Balance of the Covered Bonds of such Series for the time being outstanding.

8. ADJOURNMENT FOR WANT OF QUORUM

8.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:

(i) if such Meeting was convened upon the request of Covered Bondholders, the Meeting shall be dissolved; and

(ii) in any other case, the Meeting (unless the Issuer and the Representative of the Covered Bondholders otherwise agree) shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the Covered Bondholders).

8.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the Covered Bondholders) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the Covered Bondholders.

9. ADJOURNED MEETING

Except as provided in Article 8 (Adjournment for want of Quorum), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

10. NOTICE FOLLOWING ADJOURNMENT

10.1 Notice required

Article 5 (Notice) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

(i) 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

(ii) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

10.2 Notice not required

Except in the case of a Meeting to consider an Extraordinary Resolution, it shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 8 (Adjournment for want of Quorum).

11. PARTICIPATION

The following categories of persons may attend and speak at a Meeting:

(i) Voters;

(ii) the directors and the auditors of the Issuer and the Guarantor;

(iii) representatives of the Issuer, the Guarantor and the Representative of the Covered Bondholders;

(iv) financial advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders;

(v) legal advisers to the Issuer, the Guarantor and the Representative of the Covered Bondholders; and

(vi) any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Covered Bondholders.

12. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

12.1 A Covered Bondholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time.

12.2 A Covered Bondholder may also obtain from the Principal Paying Agent or require the Principal Paying Agent to issue a Block Voting Instruction by arranging for such Covered Bonds to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an account in a Relevant Clearing System (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

12.3 A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Covered Bonds to which it relates.

12.4 So long as a Voting Certificate or Block Voting Instruction is valid, the named therein as Covered Bondholder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), the bearer thereof (in the case of a Voting Certificate issued by the Principal Paying Agent), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Principal Paying Agent) shall be deemed to be the Covered Bondholder to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

12.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Covered Bonds.

12.6 References to the blocking or release of Covered Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of any Relevant Clearing System.

13. VALIDITY OF BLOCK VOTING INSTRUCTIONS

13.1 A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Principal Paying Agent, or at any other place approved by the Representative of the Covered Bondholders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Covered Bondholders so requires, a notarised copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Covered Bondholders or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Covered Bondholders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any Covered Bondholder named in a Voting Certificate or a Block Voting Instruction or the identity of any Covered Bondholder named in a Voting Certificate issued by a Monte Titoli Account Holder.

14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Guarantor, the Representative of the Covered Bondholders or any one or more Voters, whatever the Outstanding Principal Balance of the Covered Bonds held or represented by such Voter. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

(i) on a show of hands, one vote; and

(ii) on a poll every person who is so present shall have one vote in respect of each €1.00 or such other amount as the Representative of the Covered Bondholders may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Representative of the Covered Bondholders in its absolute discretion may stipulate).

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

17. VOTING BY PROXY

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Covered Bondholders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. RESOLUTIONS

18.1 Ordinary Resolutions

Subject to Article 18.2 (Extraordinary Resolutions), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

(i) grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

(ii) to authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

(i) sanction any compromise or arrangement proposed to be made between the Issuer, the Guarantor, the Representative of the Covered Bondholders, the Covered Bondholders or any of them;

(ii) approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the Covered Bondholders, the Issuer, the Guarantor, the Covered Bondholders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Covered Bonds, which, in any such case, shall be proposed by the Issuer, the Representative of the Covered Bondholders and/or any other party thereto;

(iii) assent to any modification of the provisions of these Rules or the Transaction Documents which shall be proposed by the Issuer, the Guarantor, the Representative of the Covered Bondholders or of any Covered Bondholder;

(iv) in accordance with Article 26 (Appointment, Removal and Remuneration), appoint and remove the Representative of the Covered Bondholders;

(v) discharge or exonerate, whether retrospectively or otherwise, the Representative of the Covered Bondholders from any liability in relation to any act or omission for which the Representative of the Covered Bondholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

(vi) grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

(vii) authorise and ratify the actions of the Representative of the Covered Bondholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

(viii) waive any breach or authorised any proposed breached by the Issuer, the Guarantor or any other party of its obligations under or in respect of these Rules, or waive the occurrence of an Issuer Event of Default, Guarantor Event of Default or a breach of test, and direct the Representative of the Covered Bondholders to suspend the delivery of the relevant Notice to Pay, Acceleration Notice, or Breach of Test Notice;

(ix) to appoint any person (whether Covered Bondholders or not) as a committee to represent the interests of the Covered Bondholders and to confer on any such committee any powers which the Covered Bondholders could themselves exercise by Extraordinary Resolution;

(x) authorise the Representative of the Covered Bondholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; and

(xi) may, in case of failure by the Representative of the Covered Bondholders to send a Notice to Pay, Acceleration Notice or Breach of Test Notice, direct the Representative of the Covered Bondholders to deliver such notice as a result of an Issuer Event of Default pursuant to Condition 11(i) (Issuer Events of Default) or an Acceleration Notice as a result of a Guarantor Event of Default pursuant to Condition 11(iii) (Guarantor Events of Default).

18.3 Programme Resolutions

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the Covered Bondholders to take steps and/or institute proceedings against the Issuer or the Guarantor pursuant to Condition 11(iv) (Effect of an Acceleration Notice).

18.4 Other Series of Covered Bonds

No Ordinary Resolution or Extraordinary Resolution other than a Programme Resolution (other than a Programme Resolution which shall be passed by the holders of all the Series of Covered Bonds then outstanding) that is passed by the Holders of one Series of Covered Bonds shall be effective in respect of another Series of Covered Bonds unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of Covered Bonds then outstanding of that other Series.

19. EFFECT OF RESOLUTIONS

19.1 Binding nature

Subject to Article 18.4 (Other Series of Covered Bonds), any resolution passed at a Meeting of the Covered Bondholders duly convened and held in accordance with these Rules shall be binding upon all Covered 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 shall be binding on all holders of the Covered Bonds of all Series, whether or not present at the meeting.

19.2 Notice of voting results

Notice of the results of every vote on a resolution duly considered by Covered Bondholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer, the Guarantor and the Representative of the Covered Bondholders within 14 days of the conclusion of each Meeting).

20. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Covered Bondholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

21. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

22. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

23. INDIVIDUAL ACTIONS AND REMEDIES

Each Covered Bondholder has accepted and is bound by the provisions of Condition 14 (Limited Recourse and Non Petition), Clause 4 (Exercise of Rights and Subrogation) and 11 (Limited Recourse) of the Covered Bond Guarantee and of Clause 8 (Exercise of Rights) and 12 (Limited Recourse) of the Intercreditor Agreement and, accordingly, if any Covered Bondholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Covered Bonds and the Covered Bond Guarantee, any such action or remedy shall be subject to a Meeting not passing an Extraordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

(i) the Covered Bondholder intending to enforce his/her rights under the Covered Bonds will notify the Representative of the Covered Bondholders of his/her intention;

(ii) the Representative of the Covered Bondholders will, without delay, call a Meeting in accordance with these Rules (including, for the avoidance of doubt, Article 24.1 (Choice of Meeting));

(iii) if the Meeting passes an Extraordinary Resolution objecting to the enforcement of the individual action or remedy, the Covered Bondholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

(iv) if the Meeting of Covered Bondholders does not object to an individual action or remedy, the Covered Bondholder will not be prohibited from taking such individual action or remedy.

24. MEETINGS AND SEPARATE SERIES

24.1 Choice of Meeting

If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:

(i) a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;

(ii) a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected;

(iii) a resolution which in the opinion of the Representative of the Covered Bondholders affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;

(iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and

(v) to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.

24.2 Denominations other than euro

If the Issuer has issued and has outstanding Covered Bonds which are not denominated in euro in the case of any Meeting or request in writing or Written Resolution of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such Meeting or any poll resulting therefrom or any such request or Written Resolution) the Outstanding Principal Balance 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 Covered 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 these Rules, the Representative of the Covered Bondholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Covered Bondholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

26. APPOINTMENT, REMOVAL AND REMUNERATION

26.1 Appointment

The appointment of the Representative of the Covered Bondholders takes place by Extraordinary Resolution of the Covered Bondholders in accordance with the provisions of this Article 26, except for the appointment of the first Representative of the Covered Bondholders which will be Deutsche Trustee Company Limited appointed under the Programme Agreement.

26.2 Identity of the Representative of the Covered Bondholders

Save for Deutsche Trustee Company Limited as first Representative of the Covered Bondholders under the Programme, the Representative of the Covered Bondholders shall be:

(i) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or

(ii) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act; or

(iii) any other entity which is not prohibited from acting in the capacity of Representative of the Covered Bondholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the Covered Bondholders and, if appointed as such, they shall be automatically removed.

26.3 Duration of appointment

Unless the Representative of the Covered Bondholders is removed by Extraordinary Resolution of the Covered Bondholders pursuant to Article 18.2 (Extraordinary Resolutions) or resigns pursuant to Article 27 (Resignation of the Representative of the Covered Bondholders), it shall remain in office until full repayment or cancellation of all Series of Covered Bonds.

26.4 After termination

In the event of a termination of the appointment of the Representative of the Covered Bondholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Covered Bondholders, which shall be an entity specified in Article 26.2 (Identity of the Representative of the Covered Bondholders), accepts its appointment, and the powers and authority of the Representative of the Covered Bondholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Covered Bonds.

26.5 Remuneration

The Issuer, and following an Issuer Event of Default and delivery of a Notice to Pay the Guarantor, shall pay jointly and severally to the Representative of the Covered Bondholders an annual fee for its services as Representative of the Covered Bondholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Covered Bonds or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the priority of payments set out in the Intercreditor Agreement up to (and including) the date when all the Covered Bonds of whatever Series shall have been repaid in full or cancelled in accordance with the Conditions. Such fees may be increased, in accordance with the provisions of the Programme Agreement, in the event that the Representative of the Covered Bondholders undertakes duties of exceptional nature.

27. RESIGNATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

The Representative of the Covered Bondholders may resign at any time by giving at least three calendar months' written notice to the Issuer and the Guarantor, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Covered Bondholders shall not become effective until a new Representative of the Covered Bondholders has been appointed in accordance with Article 26.1 (Appointment) and such new Representative of the Covered Bondholders has accepted its appointment, provided that if Covered Bondholders fail to select a new Representative of the Covered Bondholders within three months of written notice of resignation delivered by the Representative of the Covered Bondholders, the Representative of the Covered Bondholders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (Identity of the Representative of the Covered Bondholders).

28. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

28.1 Representative of the Covered Bondholders as legal representative

The Representative of the Covered Bondholders is the legal representative of the Organisation of the Covered Bondholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Covered Bondholders.

28.2 Meetings and resolutions

Unless any Resolution provides to the contrary, the Representative of the Covered Bondholders is responsible for implementing all resolutions of the Covered Bondholders. The Representative of the Covered Bondholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

28.3 Delegation

The Representative of the Covered Bondholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

(i) act by responsible officers or a responsible officer for the time being of the Representative of the Covered Bondholders;

(ii) whenever it considers it expedient and in the interest of the Covered Bondholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Covered Bondholders may think fit in the interest of the Covered Bondholders. The Representative of the Covered Bondholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, *provided that* the Representative of the Covered Bondholders shall have used all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Covered Bondholders shall, as soon as reasonably practicable, give notice to the Issuer and the Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 Judicial proceedings

The Representative of the Covered Bondholders is authorised to represent the Organisation of the Covered Bondholders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the Guarantor.

28.5 Consents given by Representative of Covered Bondholders

Any consent or approval given by the Representative of the Covered Bondholders under these Rules and any other Transaction Document may be given on such terms as the Representative of the Covered Bondholders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

The Representative of the Covered Bondholders may give any consent or approval, exercise any power, authority or discretion or take any similar action if it is satisfied that the interests of the Covered Bondholders will not be materially prejudiced thereby.

28.6 Discretions

Save as expressly otherwise provided herein, the Representative of the Covered Bondholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Covered Bondholders by these Rules or by operation of law.

28.7 Obtaining instructions

In connection with matters in respect of which the Representative of the Covered Bondholders is entitled to exercise its discretion hereunder (including but not limited to forming any opinion in connection with the exercise or non exercise of any discretion), the Representative of the Covered Bondholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Covered Bondholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Covered Bondholders shall be entitled to request that the Covered Bondholders indemnify it, prefund it and/or provide it with security as specified in Article 29.2 (Specific limitations) to its satisfaction.

28.8 Remedy

The Representative of the Covered 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 Transaction Documents may be remedied, and if the Representative of the Covered Bondholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Covered Bondholders, the other creditors of the Guarantor and any other party to the Transaction Documents.

29. EXONERATION OF THE REPRESENTATIVE OF THE COVERED BONDHOLDERS

29.1 Limited obligations

The Representative of the Covered Bondholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

29.2 Specific limitations

Without limiting the generality of the Article 29.1 (Limited obligations), the Representative of the Covered Bondholders:

(i) shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Covered Bondholders hereunder or under any other Transaction Document, has occurred and, until the Representative of the Covered Bondholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or a Guarantor Event of Default or such other event, condition or act has occurred;

(ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the Guarantor or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Covered Bondholders shall be entitled to assume that the Issuer or the Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

(iii) shall not be under any obligation to disclose (unless and to the extent so required under the Conditions, the terms of any Transaction Documents or by applicable law) to any Covered Bondholders or other Secured Creditor or any other party, any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Representative of the Covered Bondholders by the Issuer, the Guarantor or any other person in respect of the Cover Pool or, more generally, of the Programme and no Covered Bondholders shall be entitled to take any action to obtain from the Representative of the Covered Bondholders any such information;

(iv) except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

(v) shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, nor shall be responsible for assessing any breach or alleged breach by the Issuer, the Guarantor and any other Party to the transaction, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(A) the nature, status, creditworthiness or solvency of the Issuer or the Guarantor;

(B) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(C) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(D) the failure by the Guarantor to obtain or comply with any licence, consent or other authorisation in connection with the purchase or administration of the assets contained in the Cover Pool; and

(E) any accounts, books, records or files maintained by the Issuer, the Guarantor, the Servicer and the Principal Paying Agent or any other person in respect of the Cover Pool or the Covered Bonds;

(vi) 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;

(vii) shall have no responsibility for procuring or maintaining any rating of the Covered Bonds by any credit or rating agency or any other person;

(viii) shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Covered Bondholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(x) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Guarantor in relation to the assets contained in the Cover Pool or any part thereof, whether such defect or failure was known to the Representative of the Covered Bondholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

(xi) shall not be under any obligation to guarantee or procure the repayment of the Receivables contained in the Cover Pool or any part thereof;

(xii) shall not be responsible for reviewing or investigating any report relating to the Cover Pool or any part thereof provided by any person;

(xiii) 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;

(xiv) shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Covered Bonds, the Cover Pool or any Transaction Document;

(xv) shall not be under any obligation to insure the Cover Pool or any part thereof;

(xvi) shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Covered Bondholders, have regard to the overall interests of the Covered Bondholders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual Covered Bondholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Covered Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority, and the Representative of the Covered Bondholders shall not be entitled to require, nor shall any Covered Bondholders be entitled to claim, from the Issuer, the Guarantor, the Representative of the Covered Bondholders or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Covered Bondholders;

(xvii) shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders of not less than 75 per cent. of the Outstanding Principal Balance of the Covered Bonds of the relevant Series then outstanding;

(xviii) shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the Covered Bondholders and the other creditors of the Guarantor but if, in the opinion of the Representative of the Covered Bondholders, there is a conflict between their interests the Representative of the Covered Bondholders will have regard solely to the interest of the Covered Bondholders;

(xix) may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured and/or pre-funded to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the Covered Bondholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

(xx) shall not be liable or responsible for any Liabilities directly or indirectly suffered or incurred by the Issuer, the Guarantor, any Covered Bondholders or any other Secured Creditors or any other person which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules or the Transaction Documents except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Covered Bondholders.

29.3 Security

The Representative of the Covered Bondholders shall be entitled to exercise all the rights granted by the Guarantor in favour of the Representative of the Covered Bondholders on behalf of the Covered Bondholders and the other Secured Creditors under the security for the discharge of the Secured Amounts, created by the Guarantor on or around the Initial Issue, pursuant the Italian Deed of Pledge and the Deed of Charge (the **Security**).

The Representative of the Covered Bondholders, acting on behalf of the Covered Bondholders and the other Secured Creditors, may:

(i) prior to enforcement of the Security, appoint and entrust the Guarantor to collect, in the Covered Bondholders and the other Secured Creditors’ interest and on their behalf, any amounts deriving from the Security and may instruct, jointly with the Guarantor, the obligors whose obligations form part of the Security to make any payments to be made thereunder to an Account of the Guarantor;

(ii) acknowledge that the Accounts to which payments have been made in respect of the Security shall be deposit accounts for the purpose of article 2803 of the Italian civil code and agree that such Accounts shall be operated in compliance with the provisions of the Cash Management and Agency Agreement and the Intercreditor Agreement; and

(iii) agree that all funds credited to the Accounts from time to time shall be applied prior to enforcement of the Security, in accordance with the Conditions and the Intercreditor Agreement.

The Representative of the Covered Bondholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the Security, under the Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

29.4 Covered Bonds held by Issuer

The Representative of the Covered Bondholders may assume without enquiry that no Covered Bonds are, at any given time, held by or for the benefit of the Issuer.

29.5 Illegality

No provision of these Rules shall require the Representative of the Covered Bondholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Covered Bondholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liabilities which it may incur as a consequence of such action. The Representative of the Covered Bondholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

30. RELIANCE ON INFORMATION

30.1 Advice

The Representative of the Covered Bondholders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, tax advisor, credit or rating agency or other expert, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information, whether obtained by the Issuer, the Guarantor, the Representative of the Covered Bondholders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Covered Bondholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

30.2 Amendments and Modifications

The implementation of certain amendments to the Transaction Documents will, pursuant to the Transaction Documents, be subject to the receipt of written confirmation from the Rating Agency then rating the Covered Bonds that the then current ratings of each Series of Covered Bonds rated thereby will not be justified, downgraded or withdrawn as a result of such modification (a **Rating Agency Confirmation**). If the Rating Agency then rating the Covered Bonds either: (i) does not respond to a request by the Representative of the Covered Bondholders to provide a Rating Agency Confirmation within 7 days after such request is made; or (ii) provides a waiver or acknowledgement indicating decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the Rating Agency with respect to such matter will be deemed waived; provided that the requirement of the Rating Agency Confirmation will be deemed to be waved if the relevant amendments have been expressly approved by the Covered Bondholders.

30.3 Certificates of Issuer and/or Guarantor

The Representative of the Covered Bondholders may require, and shall be at liberty to accept (a) as sufficient evidence:

(i) as to any fact or matter *prima facie* within the Issuer's or the Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the Guarantor;

(ii) that such is the case, a certificate of a director of the Issuer or (as the case may be) the Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the Covered Bondholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.4 Resolution or direction of Covered Bondholders

The Representative of the Covered Bondholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Covered Bondholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Covered Bondholders.

30.5 Certificates of Monte Titoli Account Holders

The Representative of the Covered Bondholders, in order to ascertain ownership of the Covered Bonds, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

30.6 Clearing Systems

The Representative of the Covered Bondholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Covered Bondholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Covered Bonds.

30.7 Rating Agency

The Representative of the Covered Bondholders in evaluating, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Covered Bondholders of any Series or of all Series for the time being outstanding may consider, *inter alia*, the circumstance that the then current rating of the Covered Bonds of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise.

If the Representative of the Covered Bondholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the view of the Rating Agency as to how a specific act would affect any outstanding rating of the Covered Bonds, the Representative of the Covered Bondholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Covered Bondholders or the Representative of the Covered Bondholders may seek and obtain such views itself at the cost of the Issuer.

30.8 Certificates of Parties to Transaction Document

The Representative of the Covered Bondholders shall have the right to call for or require the Issuer or the Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the Guarantor) to the Intercreditor Agreement or any other Transaction Document:

(i) in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

(ii) as any matter or fact *prima facie* within the knowledge of such party; or

(iii) as to such party's opinion with respect to any issue,

and the Representative of the Covered Bondholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

The Representative of the Covered Bondholders shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to the Intercreditor Agreement or any other Transaction Document among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or, relevant, the Rating Agency Confirmation. If the Rating Agency then rating the Covered Bondholders either: (a) does not respond to a request by the Representative of the Covered Bondholders to provide a Rating Agency Confirmation within 7 days after such request is made; or (b) provides a waiver or acknowledgement indicating decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the Rating Agency with respect to such matter will be deemed waived by the Representative of the Covered

Bondholders and the Representative of the Covered Bondholders shall not be liable for any losses Covered Bondholders.

30.9 Auditors

The Representative of the Covered Bondholders shall not be responsible for reviewing or investigating any auditors' report, certificate or engagement letter and may rely on the contents of any such report or certificate, notwithstanding that such advice, opinion, certificate, report, engagement letter or other document contain a monetary or other limit in the liability of the providers of such advice, opinion or written information.

31. AMENDMENTS AND MODIFICATIONS

31.1 The Representative of the Covered Bondholders may from time to time and without the consent or sanction of the Covered Bondholders concur with the Issuer and/or the Guarantor and any other relevant parties in making any modification as follows:

(i) to these Rules, the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the Covered Bondholders (which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, or other expert or confirmation of rating) may be expedient to make *provided that* the Representative of the Covered Bondholders is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; and

(ii) to these Rules, the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which in the opinion of the Representative of the Covered Bondholders (which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, or other expert or confirmation of rating) is to correct a manifest error or to comply with mandatory provisions of law.

31.2 Any such modification shall be binding upon the Covered Bondholders and, unless the Representative of the Covered Bondholders otherwise agrees, shall be notified by the Issuer or the Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

31.3 The Representative of the Covered Bondholders shall be bound to concur with the Issuer and the Guarantor and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution or and if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

31.4 Upon the Issuer request, the Representative of the Covered Bondholders shall, without the consent or sanction of any of the Covered Bondholders or any other Secured Creditors concur with the Issuer and/or the Guarantor in making any modifications to the Transaction Documents and/or the Conditions:

(A) that the Issuer may decide in its discretion in order to comply which any criteria of the Rating Agency which may be published after the signing date of the Transaction Documents and which the Issuer certifies to the Representative of the Covered Bondholders in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating

Agency to any class of the Covered Bonds, provided that the Representative of the Covered Bondholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Covered Bondholders, as applicable, would have effect of (a) exposing the Representative of the Covered Bondholders, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Representative of the Covered Bondholders, as applicable in the Transaction Documents and/or the Conditions. For avoidance of doubt, such modification may include, without limitation, modifications which would allow any swap provider and/or liquidity facility provider not to post collateral in circumstances where it previously would have been obliged to do so;

(B) which in the opinion of the Representative of the Covered Bondholders, which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, or other expert or confirmation of rating, as described in the Conditions, may be expedient to make *provided that* the Representative of the Covered Bondholders is of the opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; and

(C) which is of a formal, minor or technical nature or, which in the opinion of the Representative of the Covered Bondholders, which may be based on the advice of, or information obtained from, any lawyer, accountant, banker, tax advisor, or other expert or confirmation of rating, as described in the Conditions, is to correct a manifest error.

32. WAIVER

32.1 Waiver of Breach

The Representative of the Covered Bondholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, but only if, and in so far as, in its opinion the interests of the Holders of the Covered Bonds then outstanding shall not be materially prejudiced thereby:

(i) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Covered Bond Guarantee or any of the obligations of or rights against the Guarantor under any other Transaction Documents; or

(ii) determine that any Event of Default shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Covered Bondholders.

32.2 Binding Nature

Any authorisation, waiver or determination referred in Article 32.1 (Waiver of Breach) shall be binding on the Covered Bondholders.

32.3 Restriction on powers

The Representative of the Covered Bondholders shall not exercise any powers conferred upon it by this Article 32 (Waiver) in contravention of any express direction by an Extraordinary Resolution of the holders of the Covered Bonds then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Outstanding Principal Balance of the Covered Bonds (in the case of any such determination, with the Covered Bonds of all Series taken together as a single Series as aforesaid), and at all times then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing but so that no such direction or request:

(i) shall affect any authorisation, waiver or determination previously given or made; or

(ii) authorise or waive any such proposed breach or breach relating to a Series Reserved Matter unless holders of Covered Bonds of each Series has, by Extraordinary Resolution, so authorised its exercise.

32.4 Notice of waiver

Unless the Representative of the Covered Bondholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Covered Bondholders and the Secured Creditors, as soon as practicable after it has been given or made in accordance with Condition 17 (Notices).

33. INDEMNITY

Pursuant to the Programme Agreement, the Issuer and (following an Issuer Event of Default) the Guarantor have covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Representative of the Covered Bondholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands duly documented and properly incurred by or made against the Representative of the Covered Bondholders or any entity to which the Representative of the Covered Bondholders has delegated any power authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Covered Bondholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Covered Bondholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the Covered Bonds or the Transaction Documents except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Covered Bondholders.

34. LIABILITY

34.1 Notwithstanding any other provision of these Rules, the Representative of the Covered Bondholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Covered Bonds or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

34.2 The Representative of the Covered Bondholders may be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions and this Agreement, that such exercise will not be materially prejudicial to the interest of any of the Covered Bondholders if the Rating Agency have confirmed in writing that the then current ratings of the Covered Bonds would not be adversely affected by such exercise. In being entitled to rely on the fact that the Rating Agency have confirmed that the ratings that may be applied to the Covered Bonds would not be adversely affected, it is herewby acknowledged by the Representative of the Covered Bondholders and the Covered Bondholders that the above does not impose or extend any actual or contingent liability for the Rating Agency to the Representative of the Covered Bondholders, the Covered Bondholders or any other person or create any legal relations between the Rating Agency and the Representative of the Covered Bondholders, the Covered Bondholders or any other person whether by way of contract or otherwise.

TITLE IV

THE ORGANISATION OF THE COVERED BONDHOLDERS AFTER SERVICE OF AN ACCELERATION NOTICE

35. POWERS TO ACT ON BEHALF OF THE GUARANTOR

It is hereby acknowledged that, upon service of an Acceleration Notice or, prior to service of an Acceleration Notice, following the failure of the Guarantor to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, shall be entitled (also in the interests of the Secured Creditors) pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Cover Pool. Therefore, the Representative of the Covered Bondholders, in its capacity as legal representative of the Organisation of the Covered Bondholders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the Guarantor and as *mandatario in rem propriam* of the Guarantor, any and all of the Guarantor's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

36. GOVERNING LAW

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

37. JURISDICTION

The Courts of Milan will have exclusive jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series 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.

[**PROHIBITION OF SALES TO 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 (as amended, the "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (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.]

[**PROHIBITION OF SALES TO UK 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 United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("**UK MiFIR**") ; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MIFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes [the/each of the] manufacturer['s/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**")]; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each of the] manufacturer['s/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, as defined in the FCA Handbook

Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("**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 [•]

Deutsche Bank S.p.A.

Issue of [*Aggregate Nominal Amount of Tranche*] [*Description*] **Covered Bonds due** [*Maturity*]

unconditionally and irrevocably guaranteed as to payments of interest and principal by DB Covered Bond S.r.l.

under the €4,000,000,000 Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the "**Conditions**") set forth in the base prospectus dated 27 May 2022 [and the supplement[s] to the base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the Prospectus Regulation. These Final Terms contain the final terms of the Covered Bonds and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [, including the supplement[s]] [is/are] available for viewing [at [*website*]] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]].

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*]

[*When completing any final terms, 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 Base Prospectus under Article 23 of the Prospectus Regulation.*]

1.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•] [to be fungible from the [*date on which the Covered Bonds become*

		fungible] with the €[●] Series [●] Tranche [●] Covered Bonds due [●] issued on [●]]
	(iii) Date on which the Covered Bonds will be consolidated and form a single Series:	The Covered Bonds will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on the Issue Date][Not Applicable]
2.	Specified Currency or Currencies:	[•]
3.	Aggregate Nominal Amount:	[•]
	(i) Series:	[•]
	(ii) Tranche:	[•]
		(*If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible*).
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 €100,000 or equivalent plus multiples of a lower principal amount*.)
	(ii) Calculation Amount:	[•]
6.	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
7.	Maturity Date:	[*Specify date or (for Floating Rate Covered Bonds) CB Payment Date falling in or nearest to the relevant month and year.*]
8.	(i) Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the Covered Bond Guarantee:	[*Not applicable / Specify date or* (*for Floating Rate Covered Bonds*) *CB Payment Date falling in or nearest to the relevant month and year*]
	(ii) Extended Instalment Date of Guaranteed Amounts	[Not Applicable/Applicable]

	corresponding to Instalment Amount under the Covered Bond Guarantee:	
9.	Interest Basis:	[[•] per cent. Fixed Rate] [[*Specify reference rate*] +/– [*Margin*] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Instalment] [The Covered Bonds shall be redeemed in the Instalment Amounts and on the Covered Bond Instalment Dates set out in paragraph 23 below.]
11.	Change of Interest:	[(Change of interest may be applicable in case an Extended Maturity Date is specified as applicable, as provided for under Condition 8(i)]/[Not Applicable]
12.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call] (further particulars specified below)
13.	[Date of [Board] approval for issuance of Covered Bonds [and Covered Bond Guarantee] [respectively]] obtained:	[•] and [•], respectively *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Covered Bonds or related Covered Bond Guarantee)*]
14.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Provisions**	[Applicable/Not Applicable]
	(i) Rate(s) of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly(s*pecify*)] in arrear]
	(ii) CB Payment Date(s):	[•] in each year [adjusted in accordance with [*specify Business Day Convention*

			and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv)	Broken Amount(s):	[•] per Calculation Amount, payable on the CB Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[30/360/ Actual/Actual (ICMA)]
16.	**Floating Rate Provisions**		[Applicable/Not Applicable]
	(i)	CB Interest Period(s):	[•]
	(ii)	Specified Period:	[•] *(Specified Period and CB Payment Dates are alternatives. A Specified Period, rather than CB 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)	CB Payment Dates:	[•] *(Specified Period and Specified CB Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
	(iv)	First CB Payment Date:	[•]
	(v)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/]
	(vi)	Additional Business Centre(s):	[Not Applicable/[●]]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]

(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent):	[[*Name*] shall be the Calculation Agent *(no need to specify if the Fiscal Agent is to perform this function)*]
(ix)	Screen Rate Determination:	
	• Reference Rate:	[*For example, EURIBOR*]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[*For example, Reuters EURIBOR 01*]
	• Relevant Time:	[*For example, 11.00 a.m. London time/Brussels time*]
	• Relevant Financial Centre:	[*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*]
(x)	ISDA Determination:	
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ Eurobond Basis/ 30E/360 (ISDA)]

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 8(x) (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:	
		Minimum Redemption Amount:	[•] per Calculation Amount
		Maximum Redemption Amount	[•] per Calculation Amount
	(iv)	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
	(i) Minimum Final Redemption Amount:	[•] per Calculation Amount
	(ii) Maximum Final Redemption Amount:	[•] 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/[●] per Calculation Amount] *(If both the Early Redemption Amount and the Early Termination Amount are the principal amount of the Covered Bonds/specify the Early Redemption Amount 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] [*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii) and 16(vi) relate*]
23.	Details relating to Covered Bonds for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made:	[Not Applicable] [The Covered Bonds shall be redeemed on each date set out below (each a "**Covered Bond Instalment Date**") in the amounts set out below (each a "**Instalment Amount**").

Covered Bond Instalment Date	**Instalment Amount**
[*insert date*]	[*insert amount*]
[*insert date*]	[*insert amount*]

[Maturity Date]	[All outstanding Instalment Amounts not previously redeemed]

RESPONSIBILITY

[(*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 Deutsche Bank S.p.A.

By: ______________________
Duly authorised

Signed on behalf of DB Covered Bond S.r.l.

By: ______________________
Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**		
	(i)	Listing	[Official List of the Luxembourg Stock Exchange/(*specify other*)/None]
	(ii)	Admission to trading	[Application [is expected to be/has been] made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchangewith effect from [•].] [Not Applicable.] *(Where documenting a fungible issue, need to indicate that original Covered Bonds are already admitted to trading.)*
2.	(i)	**RATINGS**	
		Ratings:	The Covered Bonds to be issued have been rated: [Moody's: [•]] [[Other]: [•]] (*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.) ***Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation*** *[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the* ***EU CRA Regulation****). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The*

rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Covered Bonds is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) the ***UK CRA Regulation****).] /[[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) the* ***UK CRA Regulation****).]/ [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) 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 CRA Regulation (UK).]*

Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (as amended, by the European (Withdrawal Agreement) Act 2020) (the ***EU CRA Regulation****), although notification of the corresponding registration decision has not yet been provided by the*

[relevant competent authority] /[European Securities and Markets Authority]. [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Covered Bonds is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) the ***UK CRA Regulation****).] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) the* ***UK CRA Regulation****).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ((as amended, by the European (Withdrawal Agreement) Act 2020) 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.]*

Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Covered Bonds is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation (UK)**).] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]*

Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is

*established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on [FCA]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the Covered Bonds to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**).] [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as amended (the **UK CRA Regulation**) and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]*

Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation and/or under the UK CRA Regulation

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the Covered Bonds to be issued under the Programme is endorsed by [[insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**)] [and/or] [[insert legal*

*name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**)].*

Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation and/or under the UK CRA Regulation

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**)] [and/or] [Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**)].*

Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the **EU CRA Regulation**) or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and*

registered under the UK CRA Regulation."]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

[*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer."]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.*)

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)	Reasons for the offer	[•] *(If reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
[(ii)]	Estimated net proceeds:	[•]
[(iii)]	Estimated total expenses:	[•] [*Include breakdown of expenses*]
[(iv)]	Estimated admission to trading expenses:	[•]

5. [***Fixed Rate Covered Bonds only* – YIELD]**

Indication of yield:	[•] Calculated as [*include details of method of calculation in summary form*] on the Issue Date. [As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. [***Floating Rate Covered Bonds only* - HISTORIC INTEREST RATES**

Details of historic [EURIBOR/other] rates can be obtained from [Reuters].]

[Benchmarks	*Amounts payable under the Covered Bonds will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the* ***EU Benchmarks Regulation****).* *[As far as the Issuer is aware, [●] does/do not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that regulation such that [●] is not currently required to obtain authorisation or registration] / [the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [●] is not currently required to obtain recognition, endorsement or equivalence).]"*

7. **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
Any Relevant Clearing System(s) other than Monte Titoli S.p.A., 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), Calculation Agent(s), Listing Agent(s) or Representative of the Noteholders (if any):	N/A
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No] (*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.)

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as of the date of this 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.

Tax treatment of interest

Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**") sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Covered Bonds falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**")): *(i)* issued, *inter alia*, by Italian stock companies with shares listed in a regulated market or multilateral trading facility situated or operating in an EU Member States or States party to the the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of September 4, 1996, as subsequently amended and supplemented or superseded pursuant to Article 11, paragraph 4(c) of Decree No. 239 (the "**White List**"); or *(ii)* listed in one of the above mentioned markets or multilateral trading facilities; or *(iii)* not listed but subscribed and continuously held by qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented, as implemented by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018 (that has replaced CONSOB Regulation No. 16190 of 29 October 2007) as amended from time to time, pursuant to article 34-*ter*, paragraph 1(b) of the CONSOB regulation No. 11971 of 14 May 1999.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are securities that incorporate an unconditional obligation for the Issuer to actually pay, at maturity (or at any earlier redemption), an amount not lower than their nominal/face value/principal and that do not provide any right of direct or indirect participation in, or control on, the management of the Issuer or of the business in connection with which they are issued.

Italian-resident Covered Bondholders

Covered Bondholders not engaged in an entrepreneurial activity

If an Italian-resident beneficial owner of the Covered Bond (a "**Covered Bondholder**") is:

(i) an individual not engaged in an entrepreneurial activity to which the Covered Bond are connected;

(ii) a non-commercial partnership (*società semplice*) or a professional association;

(iii) a non-commercial private or public institution (other than Italian undertakings for collective investment); or

(iv) an investor exempt from Italian corporate income taxation,

then interest derived from the Covered Bond, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*), levied at a rate of 26 per cent., unless the relevant Covered Bondholder holds the Covered Bond in a discretionary investment portfolio managed by an authorised intermediary and has validly opted for the application of the risparmio gestito regime under Article of Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**") (see also "*Tax treatment of capital gains — Discretionary investment portfolio regime (Risparmio gestito regime)*" below).

Subject to certain conditions (including a minimum holding period requirement) and limitations, interest, premium and other income relating to the Covered Bond (being financial instruments issued by an Italian resident corporation) may be exempt from any income taxation (including the 26 per cent. *imposta sostitutiva*) if the Covered Bondholder is an Italian resident individual not engaged in entrepreneurial activity and the Covered Bond are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth *(i)* in Article 1(100-114) of Law No. 232 of December 11, 2016 and in Article 1, paragraphs 211 – 215, of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 as further amended by Article 1, paragraph 26 of Law No. 234 of 30 December 2021 ("**Law No. 234**") as from 1 January 2022 and *(ii)* for long-term savings account established from 1 January 2020, in Article 13-*bis* of Law Decree No. 124 of 26 October 2019 ("**Law Decree No. 124**"), converted into Law with amendments by Law No. 157 of 19 December 2019, as amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 ("**Law Decree No. 34**"), converted into Law with amendments by Law No. 77 of 17 July 2020, by Article 68 of Law Decree No. 104 of 14 August 2020 ("**Law Decree No. 104**"), converted into Law with amendments by Law No. 126 of 13 October 2020 and by Article 1, paragraph 27 of Law No. 234.

Covered Bondholders engaged in an entrepreneurial activity

In the event that the Italian-resident Covered Bondholders mentioned under letters a) and c) above are engaged in an entrepreneurial activity to which the Covered Bond 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.

If a Covered Bondholder is an Italian-resident company or similar commercial entity, or a permanent establishment in Italy of a non-resident company to which the Covered Bond are effectively connected, and the Covered Bond are deposited with an authorised intermediary, interest from the Covered Bond will not be subject to the *imposta sostitutiva*. Interest must, however, be included in the relevant Covered Bondholder's income tax return and is therefore subject to general Italian corporate income taxation and, in certain circumstances, depending on the status of the Covered Bondholder, also to the Italian regional tax on productive activities ("**IRAP**").

Real estate investment funds and real estate SICAFs

Payments of interest deriving from the Covered Bond made to Italian resident real estate collective investment funds and real estate closed-ended investment companies (s*ocietà di investimento a capitale fisso*, or "**SICAFs**"), provided that the Covered Bond, together with the coupons relating thereto, are timely deposited directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a non-resident intermediary) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the real estate SICAF. However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

If an Italian resident Covered Bondholder is a non-real estate open-ended or a closed-ended collective investment fund ("**Fund**"), an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") or a non-real estate SICAF established in Italy and either (i) the Fund, SICAV or the non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority and the Covered Bond are deposited with an authorised intermediary, interest accrued during the holding period on the Covered Bond will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund, the SICAV or the non-real estate SICAF. The Fund, the SICAV or the non-real estate SICAF are subject neither to *imposta sostitutiva* nor to any other income tax at their level, but a withholding tax of 26 per cent. will be levied, in certain circumstances, by the Fund, the SICAV or the non-real estate SICAF on proceeds distributed in favour of their unitholders or shareholders.

Pension funds

If an Italian-resident Covered Bondholder is a pension fund (subject to the regime provided for by Article 17 of Italian Legislative Decree No. 252 of December 5, 2005) and the Covered Bond are deposited with an authorised intermediary, Interest relating to the Covered Bond and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period (which will be subject to a 20 per cent. substitute tax). Subject to certain limitations and requirements (including a minimum holding period) Interest in respects to the Covered Bond may be excluded from the taxable base of the 20 per cent. substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Covered Bond are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and for long-term savings account established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234.

Application of the imposta sostitutiva

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, brokerage companies (*società di intermediazione mobiliare*, or **SIM**), fiduciary companies, società di gestione del risparmio ("**SGR**"), stockbrokers and other entities identified by decrees of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must:

(a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian-resident financial intermediary; and

(b) participate, in any way, in the collection of Interest or in the transfer of the Covered Bond. For the purpose of the application of the *imposta sostitutiva*, a transfer of Covered Bond includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Covered Bond or in a change in the Intermediary with which the Covered Bond are deposited.

If the Covered Bond are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Covered Bondholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Covered Bond are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Covered Bondholders

If the Covered Bondholder is a non-resident for tax purposes, an exemption from the *imposta sostitutiva* applies, provided that the non-resident Covered Bondholder is:

(a) a beneficial owner of the payment of Interest with no permanent establishment in Italy to which the Covered Bond are effectively connected and resident, for tax purposes, in a state or territory included in the White List; or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(d) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-resident Covered Bondholders beneficial owner of the Interest must promptly deposit the Covered Bond together with the coupons relating to such Covered Bond 'directly or indirectly' with:

(i) an Italian or non-resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Covered Bond held, directly or indirectly, by the Covered Bondholder with a Second Level Bank (as defined below); or

(ii) an Italian-resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Covered Bond appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organizations and companies that are not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of February 24, 1998) for the purposes of the application of Decree No. 239. If a non-resident Covered Bondholder deposits the Covered Bond directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-resident Covered Bondholders is conditional upon:

(i) the deposit of the Covered Bond, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(ii) the submission to the First Level Bank or the Second Level Bank (as the case may be) of a statement of the relevant Covered Bondholder (*autocertificazione*), to be provided only once, in which it declares, *inter alia*, that it is the beneficial owner of any interest on the Covered Bond and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and does not need to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy referred to in point (b) above or Central Banks or entities also authorised to manage the official reserves of a State referred to in point (d) above. Additional requirements are provided for "institutional investors" referred to in point (c) above (in this respect see, among others, Circular Letters Nos. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

The *imposta sostitutiva* will be applicable at a rate of 26 per cent. to interest paid to Covered Bondholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the requested conditions (including the procedures set forth under Decree No. 239 and in the relevant implementation rules).

Covered Bondholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Payments made by an Italian resident guarantor

There is no authority directly on point regarding the Italian tax regime of payments made by an Italian resident guarantor under the Guarantee. Accordingly, there can be no assurance that the Italian revenue authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not sustain such an alternative treatment.

With respect to payments on the Covered Bonds made to certain Italian resident Bondholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Covered Bonds may be treated, in certain circumstances, as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

In accordance with another interpretation, any such payment made by the Italian resident Guarantor may be subject to an advance or final withholding tax at a rate of 26% pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In the case of payments to non-Italian resident bondholders, double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

Tax treatment of capital gains

Italian-resident Covered Bondholders

Covered Bondholders not engaged in an entrepreneurial activity

Where an Italian-resident Covered Bondholder is an individual not engaged in an entrepreneurial activity to which the Covered Bond are connected, any capital gain realised by such Covered Bondholder from the sale or redemption of the Covered Bond would be subject to a capital gain tax (*imposta sostitutiva*, or "**CGT**") levied at a rate of 26 per cent. Covered Bondholders may set off any capital losses with their capital gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt — under certain conditions — for any of the three regimes described below.

Tax return regime. Under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the Covered Bond are connected, the CGT 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 holding the Covered Bond during any given tax year. Italian-resident individuals holding the Covered Bond 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 their annual tax return, and pay the CGT on such gains, together with any balance of income tax due for such year. Within the same time limit, capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

Non-discretionary investment portfolio regime (Risparmio amministrato regime). As an alternative to the tax return regime, Italian-resident individual Covered Bondholders holding the Covered Bond not in connection with an entrepreneurial activity may elect to pay the CGT separately on capital gains realised on each sale or redemption of the Covered Bond (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

(i) the Covered Bond being deposited with an Italian bank, SIM or certain authorised financial intermediaries; and

(ii) an express election for the *risparmio amministrato* regime being made in writing in a timely fashion by the relevant Covered Bondholder.

The depository must account for the CGT in respect of capital gains realised on each sale or redemption of the Covered Bond (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 CGT to the Italian tax authorities on behalf of the Covered Bondholder, deducting a corresponding amount from the proceeds to be credited to the Covered Bondholder or using funds provided by the Covered Bondholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Covered Bond may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years, up until the fourth tax year. Under the *risparmio amministrato* regime, the Covered Bondholder is not required to declare the capital gains/losses realised within said regime in the annual tax return.

Discretionary investment portfolio regime (Risparmio gestito regime). In the *risparmio gestito* regime, any capital gains realised by Italian-resident individuals holding the Covered Bond not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the Covered Bond) 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 tax year-end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. The Covered Bondholder is not required to declare the capital gains or losses realised within said regime in its annual tax return. The Covered Bondholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Covered Bond may be exempt from any income taxation (including from the 26 per cent. CGT) if the Covered Bond is an Italian resident individual not engaged in entrepreneurial activity and the Covered Bond are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017 and in Article 1, paragraphs 211 – 215, of the Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and for long-term savings account established from 1 January 2020, in Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234.

Covered Bondholders engaged in an entrepreneurial activity

Any gain obtained from the sale or redemption of the Covered Bond will be treated as part of taxable business income (and, in certain circumstances, depending on the "status" of the Covered Bondholder, also as part of net value of the production for IRAP purposes), if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of non-resident entities to which the Covered Bond are connected) or Italian-resident individuals engaged in an entrepreneurial activity to which the Covered Bond are connected.

Real estate investment funds and real estate SICAFs

Any capital gains realised by a Covered Bondholder which qualifies as an Italian real estate investment fund or an Italian real estate SICAF will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the real estate SICAF (see "*Tax treatment of interest – Real estate investment funds and real estate SICAFs*" above). However, a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in the event of distributions, redemption or sale of the units or shares. Moreover, subject to certain conditions, income realised by Italian real estate investment funds or real estate SICAFs is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Funds, SICAVs and non-real estate SICAFs

Any capital gains realised by a Covered Bondholder which is a Fund, a SICAV or a non-real estate SICAF will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAV or the non-real estate SICAF, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units/shares may be subject to a withholding tax of 26 per cent.

Pension funds

Any capital gains realised by a Covered Bondholder which qualifies as an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005) will be included in the result of the relevant portfolio accrued at the end of the relevant tax period, and subject to 20 per cent. substitute tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect of the Covered Bond may be excluded from the taxable base of the substitute tax pursuant to Article 1, paragraph 92, of Law No. 232 of 11 December 2016, if the Covered Bond are included in a long-term savings account (*piano di risparmio a lungo termine*) pursuant to Article 1, paragraphs 100 – 114 of Law No. 232 of 11 December 2016 and to Article 1, paragraphs 210 – 215 of Law No. 145 of 30 December 2018, as implemented by the Ministerial Decree 30 April 2019 and as further amended by Article 1, paragraph 26 of Law No. 234 as from 1 January 2022, and for long-term savings account established from 1 January 2020, to Article 13-*bis* of Law Decree No. 124, as amended and supplemented by Article 136 of Law Decree No. 34, by Article 68 of Law Decree No. 104 and by Article 1, paragraph 27 of Law No. 234.

Non-Italian resident Covered Bondholders

A 26 per cent. CGT may be payable on capital gains realised on the sale or redemption of the Covered Bond by non-Italian resident persons without a permanent establishment in Italy to which the Covered Bond are effectively connected, if the Covered Bond are held in Italy. However, under Article 23(1)(f)(2) of Decree No. 917, capital gains realised by non-resident Covered Bondholders from the sale or redemption of notes issued by an Italian-resident issuer and traded on regulated markets in Italy or abroad are not subject to CGT, subject to the filing of required documentation in a timely fashion (in particular, a self-declaration that the Covered

Bondholder is not resident in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Covered Bond are deposited, even if the Covered Bond are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-resident Covered Bond holders from the sale or redemption of Covered Bond issued by an Italian-resident issuer, even if the Covered Bond are not traded on regulated markets, are not subject to CGT, provided that the beneficial owner is:

(i) a beneficial owner of the capital gains with no permanent establishment in Italy to which the Covered Bond are effectively connected and resident, for tax purposes, of a state or territory included in the White List; or

(ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(iii) an "institutional investor", whether or not subject to tax, which is established in a state or territory included in the White List, even if it does not possess the status of a taxpayer in its own state of establishment; or

(iv) a central bank or an entity which manages, inter alia, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident Covered Bondholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree 239 (see "*Tax treatment of interest*" above).

If none of the above conditions is met, capital gains realised by non-Italian resident Covered Bondholders from the sale or the redemption of Covered Bond issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Covered Bondholders might benefit from an applicable tax treaty with Italy, providing that capital gains realised upon the sale or redemption of the Covered Bond are to be taxed only in the State where the recipient is tax resident, subject to certain conditions to be satisfied.

Under these circumstances, if non-resident persons without a permanent establishment in Italy to which the Covered Bond are effectively connected hold Covered Bond with an Italian authorised financial intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-resident Covered Bondholders file in time with the authorised financial intermediary appropriate documents which include, inter alia, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Covered Bond deposited with an Intermediary, but non-Italian resident Covered Bondholders retain the right to waive this regime.

Certain reporting obligations for Italian-resident Covered Bondholders

Under Law Decree No. 167 of June 28, 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the tax year, hold investments abroad or have financial assets abroad (including possibly the Covered Bond) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding the Euro 15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Covered Bond) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of June 28, 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

Italian inheritance tax and gift tax

The transfer of Covered Bond by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(i) 4 per cent. for transfers in favour of the spouse or direct relatives exceeding, for each beneficiary, a threshold of Euro 1 million;

(ii) 6 per cent. for transfers in favour of siblings exceeding, for each beneficiary, a threshold of Euro 100,000;

(iii) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(iv) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds Euro 1.5 million.

With respect to Covered Bond listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Covered Bond, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Covered Bond, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree 461/1997, as subsequently amended. In particular, if the donee sells the Covered Bond for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Wealth tax – direct holding

According to Article 19 of Law Decree No. 201 of December 6, 2011, converted with Law No. 214 of December 22, 2011 (as amended by Article 1(710)(d) of Law 27 December 2019, No. 160 and Article 134 of Law Decree No. 34) Italian-resident individuals, non-business entities and non-business partnerships that are resident in Italy holding financial products, including the Covered Bond, outside Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20 per cent. (the level of tax being determined in proportion to the period of ownership). The wealth tax cannot exceed Euro 14,000 per year for Covered Bondholders other than individuals.

The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial products held outside Italy. Taxpayers are generally permitted to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Stamp taxes and duties – holding through financial intermediary

Under Article 13(2ter) of the tariff, Part I of the Decree No. 642 of October 26, 1972, a 0.2 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Covered Bond are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed Euro 14,000 for Covered Bondholders other than individuals. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.2 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Registration tax

Contracts relating to the transfer of the Covered Bond are subject to the registration tax as follows:

(i) public deeds and private deeds with notarised signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of Euro 200; and

(ii) private deeds (*scritture private non autenticate*) are subject to fixed registration tax of Euro 200 only in the "case of use" or voluntary registration or occurrence of the so-called *enunciazione*.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Bonds are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Programme Agreement

Covered Bonds may be sold from time to time by the Issuer to the Dealers (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, the Dealers are set out in a programme agreement, entered into, on the Initial Issue Date, between the Issuer, the Guarantor, the Representative of the Covered Bondholders and the Dealers, as amended from time to time (the **Programme Agreement**). The Programme Agreement makes provision for, *inter alia*, an indemnity to the Dealers against certain liabilities in connection with the offer and sale of the Covered Bonds. The Programme Agreement also 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. The Programme Agreement contains stabilising and market making provisions.

Subscription Agreements

Any agreement between the Issuer, the Representative of the Covered Bondholders and the Dealers and/or any additional or other dealers, from time to time for the sale and purchase of Covered Bonds (a **Subscription Agreement** and each Dealer party thereto, a **Relevant Dealer**) will, *inter alia*, make provision for the price at which the relevant Covered Bonds will be purchased by the Relevant Dealer and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

Each Subscription Agreement will also provide for the confirmation of the appointment of the Representative of the Covered Bondholders by the Relevant Dealer as initial holder of the Covered Bonds then being issued.

Selling restrictions

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Covered Bonds includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has 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 (the **EEA**).

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**);

(ii) a customer within the meaning of Directive (EU) 2016/97 (**IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

Public Offer Selling Restriction under the Prospectus Regulation

If the Final Terms in respect of any Covered Bonds includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Covered Bonds in that Member 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 Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, and (ii) the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Prohibition of sales to UK Retail Investors

If the Final Terms in respect of any Covered Bonds includes the legend "*Prohibition of Sales to UK Retail Investors*", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has 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 United Kingdom (the **UK**).

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (**EUWA**);

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

If the Final Terms in respect of any Covered Bonds includes the legend "Prohibition of Sales to UK Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, (i) the expression an offer of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and (ii) the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United States

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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated 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, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of the Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells 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 any Series of Covered Bonds, an offer or sale of such 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.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has 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 or the Guarantor, as the case may be; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

France

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 or sold and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code *monétaire et financier*.

Republic of Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell any Covered Bonds except in conformity with the provisions of the Prospectus Regulation and, where applicable, implementing measures in Ireland and the provisions of the Companies Acts 1963 to 2012 of Ireland and every other enactment that is to be read together with any of those Acts;

(b) in respect of Covered Bonds issued by DB S.p.A. which are not listed on a stock exchange and which do not mature within two years its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction, it will not knowingly offer to sell such Covered Bonds to an Irish resident, or to persons whose usual place of abode is Ireland, and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Covered Bonds. In addition, such Covered Bonds must be cleared through Euroclear, Clearstream, Luxembourg, or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners) and have a minimum denomination of €500,000 or its equivalent at the date of issuance;

(c) in respect of Covered Bonds issued by DB S.p.A. which are not listed on a stock exchange and which mature within two years, such Covered Bonds must have a minimum denomination of €500,000 or US$500,000 or, in the case of Covered Bond which are denominated in a currency other than euro or US dollars, the equivalent in that other currency of €500,000 (such amount to be determined by reference to the relevant rate of exchange at the date of first publication of this Programme). In addition, such Covered Bonds must be cleared through Euroclear, Clearstream, Luxembourg or Depository Trust Company (or any other clearing system recognised for this purpose by the Revenue Commissioners);

(d) it has only issued or passed on, and will only issue or pass on, any document received by it in connection with the issue of Covered Bonds to persons who are persons to whom the document may otherwise lawfully be issued or passed on;

(e) it has complied and will comply with all applicable provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (the Nos. 1 to 3) of Ireland, as amended, with respect to anything done by it in relation to the Covered Bonds or operating in, or otherwise involving, Ireland is acting under and within the terms of an authorisation to do so for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 and it has complied with any applicable codes of conduct or practice made pursuant to implementing measures in respect of the foregoing Directive in any relevant jurisdiction; and

(f) it has not offered or sold or will not offer or sell any Covered Bonds other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall only offer Covered Bonds in the Federal Republic of Germany in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany.

Republic of Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that sales of the Covered Bonds in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

The offering of Covered Bonds has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, no Covered Bonds may be offered, sold or delivered, nor may copies of this 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(1), letter (e) of the Prospectus Regulation, Article 100 of the Legislative Decree No. 58 of 24 February, 1998, as amended (the **Financial Law**) and Article 34-*ter*, first paragraph, letter b, of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and/or Italian CONSOB regulations; or

(ii) in circumstances falling within Article 1(4) of the Prospectus Regulation or Article 3(2) of the Prospectus Regulation and in any other circumstances which are exempted from the rules on public offerings pursuant to any applicable 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 under (i) or (ii) above must be:

(a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined under Article 1, paragraph 1, letter (r), of the Financial Law, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Financial Law, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the **Banking Act**), in each case as amended from time to time;

(b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Consolidated Banking Act pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015, as amended on 2 November 2020) and/or any other Italian authority; and

(c) in compliance with any other applicable notification or limitation which may be imposed by CONSOB or any other Italian authority.

General

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Covered Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense, and neither the Issuer, nor the Guarantor nor any other Dealer shall have responsibility therefore (with specific reference to the jurisdictions of the United States of America, United Kingdom, Republic of Ireland, Japan, France and Republic of Italy, see above). 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 subscribe, offer, sell, distribute 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.

GENERAL INFORMATION

Listing, Admission to Trading and Minimum Denomination

This Base Prospectus has been approved as a base prospectus issued in compliance with the Prospectus Regulation by the *Commission de Surveillance du Secteur Financier* (**CSSF**) in its capacity as competent authority in the Grand Duchy of Luxembourg for the purposes of the Prospectus Regulation. Application has been made for Covered Bonds issued under the Programme during the period of 12 months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange

Covered Bonds may be listed on such other stock exchange as the Issuer and the Relevant Dealer may agree, as specified in the relevant Final Terms, or may be issued on an unlisted basis.

Where Covered Bonds issued under the Programme are admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, such Covered Bonds will not have a denomination of less than €100,000 (or, where the Covered Bonds are issued in a currency other than euro, the equivalent amount in such other currency).

Authorisations

The establishment of the Programme was authorised by a resolution of the Management Board of the Issuer on 21 June 2012.

The updates of the Programme have been duly authorised by the resolutions of the board of directors of the Issuer dated, respectively, March 24th 2015 and April 26th 2022 and by the resolution of the board of directors of the Guarantor dated March 25th 2015 and May 5th 2022.

The Guarantor's by-laws contains the power for the Guarantor to grant the Covered Bond Guarantee.

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.

Clearing of the Covered Bonds

The Covered Bonds issued in dematerialised form will be held on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream). The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Covered Bonds for clearance together with any further appropriate information.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the Covered Bonds of each Series or Tranche will be specified in the Final Terms relating thereto.

The Representative of the Covered Bondholders

Pursuant to the provisions of the Conditions and the Rules of Organisation of the Covered Bondholders, there shall be at all times a Representative of the Covered Bondholders appointed to act in the interest and behalf of the Covered Bondholders. The initial Representative of Covered Bondholders shall be Deutsche Trustee Company Limited.

No material litigation

During the twelve months preceding the date of this Base Prospectus, there have been no governmental, legal or arbitration proceedings, nor is the Issuer aware of any pending or threatened proceedings of such kind, which have had or may have significant effect on the Issuer's financial position or profitability.

Significant or material change

Except for the potential direct and indirect impact of the COVID-19 pandemic indicated in the relevant risk factor section, since 31 December 2021 (the end of the last financial period for which audited financial statements of the Issuer have been published):
(i) there has been no material adverse change in the prospects of the Issuer and the Guarantor;
(ii) there has been no significant change in the financial performance of the Deutsche Bank S.p.A. Group; and
(iii) there has been no significant change in the financial position of the Issuer, the Guarantor and the Deutsche Bank S.p.A. Group.

Luxembourg Listing Agent

The Issuer has undertaken to maintain a listing agent in Luxembourg so long as Covered Bonds are listed on the official list of the Luxembourg Stock Exchange.

Documents available for inspection

So long as Covered Bonds are capable of being issued under the Programme and without prejudice to paragraph "Publication on the Internet", 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:

(a) the audited consolidated financial statements of the Issuer as at 31 December 2021;

(b) the audited consolidated financial statements of the Issuer as at 31 December 2020;

(c) the audited financial statements of the Guarantor as at 31 December 2021;

(d) the audited financial statements of the Guarantor as at 31 December 2020;

(e) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published audited annual financial statements Guarantor;

(f) any future offering circular, prospectuses, information memoranda and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference;

(g) the Programme Agreement;

(h) the Subscription Agreements;

(i) the Cover Pool Administration Agreement;

(j) the Conditions;

(k) the Covered Bond Guarantee;

(l) the Master Transfer Agreement;

(m) the Warranty and Indemnity Agreement;

(n) the Subordinated Loan Agreement;

(o) the Servicing Agreement;

(p) the Asset Monitor Agreement;

(q) the Intercreditor Agreement;

(r) the Cash Management and Agency Agreement;

(s) the Corporate Services Agreement;

(t) the Quotaholders Agreement;

(u) the Swap Agreements;

(v) the Deed of Charge;

(w) the Italian Deed of Pledge;

(x) the Mandate Agreement;

(y) the Issuer's by-laws (*Statuto*) as of the date hereof;

(z) the Guarantor's by-laws (*Statuto*) as of the date hereof;

(aa) any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters); and

(bb) any Final Terms relating to Covered Bonds which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Covered Bondholders.

Copies of all such documents shall also be available to Covered Bondholders at the Specified Office of the Representative of the Covered Bondholders.

In addition, copies of this Base Prospectus, any supplements to this Base Prospectus, each Final Terms relating to the Covered Bonds which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (https://www.bourse.lu). In addition, copies of the by-laws of respectively the Issuer and the Guarantor will be available on the Issuer's website (https://country.db.com/italia/chi-siamo/financial-reports?language_id=3).

Publication on the Internet

This Base Prospectus, any supplement thereto and the Final Terms will be available on the internet site of the Luxembourg Stock Exchange, at https://www.bourse.lu.

In any case, copy of this Base Prospectus, together with any supplement thereto and documents incorporated by reference, if any, or further Prospectus, will remain publicly available in electronic form for at least 10 years on https://country.db.com/italia/policies/covered-bond?language_id=3.

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 Covered Bondholders.

Auditors

Mazars Italia S.p.A. whose registered office is in Milan, Via Ceresio, No. 7, Italy, are the auditors of the Issuer and is registered under the Register of Certified Auditors no. 163788 held by the Ministry for Economy and Finance pursuant to Legislative Decree of 14 July 2011 and the related regulations issued by the Ministry for Economy and Finance and shall not be the audit firm of the Issuer or of the Guarantor. Mazars Italia S.p.A. is also a member of Assirevi, the Italian association of auditing firms. Mazars Italia S.p.A. has audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2020 and 2021, Mazars Italia S.p.A. has been appointed as independent auditors of the Issuer by the ordinary shareholders' meeting of the Issuer held on 29 April 2019.

The appointment of Mazars Italia S.p.A. whose registered office is in Milan, Via Ceresio, No. 7, Italy, as independent auditor firm of the Guarantor for the year 2020 and 2021 was approved by the Quotaholders' meeting of the Guarantor held on June 30, 2020.

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Declaration of the manager responsible for preparing the Issuer's financial reports

The Manager responsible for preparing the Issuer's financial reports, Mr. Serdar Oezkan, Chief Financial Officer of DB S.p.A., declares, pursuant to paragraph 2 of Article 154-bis of the Financial Law, that the consolidated accounting information of the Deutsche Bank S.p.A. Group contained in this Base Prospectus correspond to the document results, books and accounting records.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or which are published simultaneously with this Base Prospectus and which have been filed with the CSSF shall be incorporated in, and form part of this Base Prospectus:

1. the English translation of DB S.p.A. audited annual consolidated financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ending on 31 December 2020 (available at the following link https://country.db.com/italia/policies/covered-bond?language_id=3);

2. the English translation of the DB S.p.A. audited annual consolidated financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ending on 31 December 2021 (available at the following link https://country.db.com/italia/policies/covered-bond?language_id=3);

3. the English translation of the Guarantor's audited annual financial statements including the auditors' report thereon in respect of the year ended on and as at 31 December 2020 (available at the following link https://www.securitisation-services.com/en/reports/transaction/db-covered-bond-s-r-l); and

4. the English translation of the Guarantor's audited annual financial statements including the auditors' report thereon in respect of the year ended on and as at 31 December 2021 (available at the following link https://www.securitisation-services.com/en/reports/transaction/db-covered-bond-s-r-l).

Such documents shall be incorporated by reference into, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The financial statements referred to above, together with the audit reports thereon (where published), are available in English. The English language versions represent a direct translation from the Italian language documents.

Cross-reference lists

The following table shows where the information incorporated by reference into this Base Prospectus, including the information required under Annex 7 of the Prospectus Regulation (in respect of the Issuer and the Guarantor), can be found in the above mentioned financial statements incorporated by reference into this Base Prospectus.

Document Information incorporated	Page numbers
The English translation of DB S.p.A. audited annual consolidated financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ending on 31 December 2020.	

Document Information incorporated	Page numbers
Balance sheet	25-26
Income statements	27
Statement of comprehensive income	28
Cash Flow Statement	31
Statement of Changes in Shareholders' Equity	29-30
Explanatory notes	32-183
Credit Risk Management System	133-139
Auditors' report	19-22

The English Translation of DB S.p.A. audited annual consolidated financial statements including the auditors' report thereon, notes thereto and the relevant accounting principles in respect of the year ending on 31 December 2021.

Balance sheet	23-24
Income statements	25
Statement of comprehensive income	26
Cash Flow Statement	29
Statement of Changes in Shareholders' Equity	27-28
Explanatory notes	30-185
Credit Risk Management System	140-145
Auditors' report	18-20

The English Translation of the Guarantor's audited annual financial statements including the auditors' report thereon in respect of the year ended on and as at 31 December 2020.

Balance sheet	11
Income statements	12
Statement of comprehensive income	14
Cash Flow Statement	16
Statement of Changes in Shareholders' Equity	15
Explanatory notes	18-69
Credit Risk Management System	65
Auditors' report	1-4

The English Translation of the Guarantor's audited annual financial statements including the auditors' report thereon in respect of the year ended on and as at 31 December 2021.

Balance sheet	11
Income statements	12-13
Statement of comprehensive income	14
Cash Flow Statement	16-17
Statement of Changes in Shareholders' Equity	15
Explanatory notes	18-69
Credit Risk Management System	65
Auditors'report	1-4

The information not included in the cross-reference lists above is not incorporated by reference. Excluded part of the documents in the cross-reference list above has not been incorporated by reference and is considered either not relevant for an investor or is otherwise covered elsewhere in this Base Prospectus.

The financial statements of the Issuer as at and for the years ended, respectively, on 31 December 2020 and 31 December 2021 have been audited by Mazars Italia S.p.A., in their capacity as independent auditors of the Issuer, as indicated in their reports thereon.

The annual financial statements of the Guarantor as at and for the year ended on 31 December 2020 and 31 December 2021 have been audited by Mazars Italia S.p.A., in their capacity as independent auditors of the Guarantor, as indicated in their reports thereon.

The Issuer declares that the English translation of the Guarantor's financial reports incorporated by reference in this Base Prospectus is an accurate and not misleading translation in all material respect of the Italian language version of the Guarantor's financial reports.

The financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union under Regulation (EC) 1606/2002; the financial statements at 31 December 2021 was carried out on the basis of the instructions issued by the Bank of Italy with circular no. 262/05 and its seventh update of 29 October 2021. In preparing the financial statements, the IAS / IFRS principles were applied as well as the interpretative documents (SIC / IFRIC) approved by the European Union and in force at 31 December 2021.

Availability of Documents

Copies of all documents incorporated herein by reference may be obtained without charge at the head office of the Luxembourg Listing Agent in the city of Luxembourg and may be obtained via the internet at the website of DB S.p.A. (www.db.com/italia) and the website of the Luxembourg Stock Exchange (www.bourse.lu). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.

SUPPLEMENT TO THE BASE PROSPECTUS

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

GLOSSARY

The following terms are used throughout this Base Prospectus. The page number opposite a term indicates the page on which such term is first defined. These and other terms used in this Base Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time

ISSUER

Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milan
Italy

GUARANTOR

DB Covered Bond S.r.l.
Via Vittorio Alfieri, 1
31015 Conegliano (TV)
Italy

REPRESENTATIVE OF THE COVERED BONDHOLDERS

Deutsche Trustee Company Limited
Winchester House
1, Great Winchester Street
London EC2N 2DB
United Kingdom

CALCULATION AGENT

Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milan
Italy

ACCOUNT BANK

Deutsche Bank AG, London Branch
Winchester House,
I Great Winchester Street
EC2N 2DB London
England

ITALIAN PAYING AGENT

Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milan
Italy

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House,
I Great Winchester Street
EC2N 2DB London
England

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L-115 Luxembourg
Luxembourg

LEGAL ADVISERS

To the Issuer and the Seller

As to Italian law and English law

BonelliErede
30 Cannon Street
EC4M 6XH,
London
United Kingdom

To the Representative of the Covered Bondholders

As to Italian law and English law

Bonelli Erede Lombardi Pappalardo Studio Legale
Via Vittoria Colonna 39
00193 – Roma
Italy

ARRANGER

Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milan
Italy

DEALERS

Deutsche Bank S.p.A.
Piazza del Calendario, 3
20126 Milan
Italy

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10-14
60272 Frankfurt am Main
Germany

AUDITORS

To the Issuer and the Guarantor

Mazars Italia S.p.A.
Via Ceresio, 7
20154 Milan
Italy