

# **MEDIOBANCA COVERED BOND S.r.l.**

**Financial Statements  
As of June 30, 2019**



**Gruppo Bancario  
MEDIOBANCA  
(Italian Banking Group)**

# **MEDIOBANCA COVERED BOND s.r.l.**

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

Registered office: Galleria del Corso n. 2

20122 Milan

Fiscal code 03915310969 - Group VAT code 10536040966

Milan Registrar of Companies, n. 03915310969

Economic Administration Register, n. : 1712103

Authorized Capital Euro 100.000

Transferee company for the guarantee of covered bonds pursuant to Article 7 bis of Law

No 130 of 30 April 1999 - No 32820

**Managed and coordinated by: Mediobanca S.p.A.**

## **DIRECTORS' REPORT**

### **FINANCIAL STATEMENTS JUNE 30, 2019**

Dear Councilors, the Financial Statements closed on June 30, 2019 and submitted to your attention, includes: Balance sheet, Income statement, Cash Flow Statement, Statement of Changes in Equity, Statement of Comprehensive Income and is accompanied by this Directors' Report.

As you can see, the Financial statements broke even.

#### **Operations of the Company**

The only operation of the Company is the purchase from banks (within one or several issuing campaigns of Bonds guaranteed under art. 7-bis of Italian Law n. 130/1999) of land and mortgage credits, credits concerning Public administration entities or credits guaranteed by these entities and also securities issued during Securitizing campaigns whose subject are credits of the above mentioned type, realized through financing granted or guaranteed by the issuing banks that, and by guaranteeing for Bonds issued by the same banks or by other banks, pursuant to the above mentioned Article 7-bis of Italian Law n.130/99.

Within the limits of the Italian Law, the Company can commit additional actions aimed at the smooth running of the transactions, or anyway helpful in achieving its business objective.

The Company started the first emission of Covered Bonds during 2011. Actually the company purchased a credit portfolio from CheBanca! S.p.a. to be able to guarantee the emission of covered bonds by Mediobanca S.p.A., in several series, up to maximum outstanding principal of € 5,000,000,000. As part of the covered bond programme, the company has carried out, over the years, both sales and purchase of credit portfolios with counterpart CheBanca! S.p.A., functional to the issue by Mediobanca S.p.A. of further series of covered bonds.

Below is a schematic summary of the repurchase and sale transactions of new receivables carried out by CheBanca! S.p.a. with the company.

<b>Period of sale</b>		<b>Repurchase</b>	<b>Disposals</b>
<b>From</b>	<b>To</b>		
01/10/2011	31/12/2011	-	-
01/01/2012	31/03/2012	5,060,778	-
01/04/2012	30/06/2012	12,519,520	-
01/07/2012	30/09/2012	-	-
01/10/2012	31/12/2012	14,581,911	179,698,400
01/01/2013	31/03/2013	18,915,488	-
01/04/2013	30/06/2013	11,522,544	106,081,794
01/07/2013	30/09/2013	-	-
01/10/2013	31/12/2013	21,842,673	-
01/01/2014	31/03/2014	-	-
01/04/2014	30/06/2014	20,476,989	1,212,026,665
01/07/2014	30/09/2014	-	-
01/10/2014	31/12/2014	25,395,280	236,708,625
01/01/2015	31/03/2015	-	-
01/04/2015	30/06/2015	19,004,808	241,646,517
01/07/2015	30/09/2015	-	-
01/10/2015	31/12/2015	15,670,442	583,991,992
01/01/2016	31/03/2016	-	115,433,472
01/04/2016	30/06/2016	63,608,621	185,782,535
01/07/2016	30/09/2016	-	-
01/10/2016	31/12/2016	20,004,382	255,462,343
01/01/2017	31/03/2017	-	-

01/04/2017	30/06/2017	18,396,546	287,609,778
01/07/2017	30/09/2017	-	-
01/10/2017	31/12/2017	34,111,148	1,524,361,938
01/01/2018	31/03/2018	-	353,474,123
01/04/2018	30/06/2018	46,251,267	992,206,223
01/07/2018	30/09/2018	-	-
01/10/2018	31/12/2018	32,237,795	405,239,752
01/01/2019	31/03/2019	16,779,349	234,569,491
01/04/2019	30/06/2019	20,381,239	195,910,634
<b>TOTAL</b>		<b>416,760,781</b>	<b>7,110,204,282</b>

With particular reference to the year ended June 30, 2019 on December 1, 2018, the company purchased from CheBanca! a credit portfolio without recourse for € 405,239,752. On the same day, CheBanca! repurchased receivables without recourse for an amount of € 32,237,795.

On March 1, 2019, CheBanca! S.p.a. sold to the company a portfolio of receivables, without recourse, for € 234,569,491 and at the same time repurchased a portfolio of receivables without recourse for € 16,779,349.

On June 1, 2019, finally, CheBanca! S.p.a. sold to the company an additional portfolio of receivables, without recourse, for € 195,910,634 and at the same time repurchased a portfolio of receivables without recourse for € 20,381,239.

It should also be noted that on July 12, 2018 and October 2, 2018 two tranches of the sixth series of Covered Bonds were issued for a total nominal amount of € 750,000,000. On the same dates, Mediobanca Covered Bond S.r.l. signed two interest rate swap contracts to hedge interest rate risk for a total notional amount of equal value.

#### **Analysis of the financial situation and income statement results**

The assets in the balance sheet consist of "Financial assets valued at amortised cost" (Euro 99,975),"Current tax assets" (Euro 272) deriving mainly from the advance payment of corporate income tax for the year, and "Other assets" (Euro 455,996)

relating to the receivable from the segregated assets due mainly to the reversal of the costs in accordance with contractual provisions.

The liabilities in the balance sheet consist almost exclusively of the "Capital" paid in (Euro 100,000) and "Other liabilities" (Euro 480,388), consisting mainly of payables to the segregated assets.

The income statement, which reflects the costs incurred for the normal operation of the Company and recharged to the segregated assets, closes with a pre-tax result at breakeven and with a net profit for the year of zero.

### **Proprietary shares**

The Company does not possess, by itself or through any intermediary, proprietary shares or Shares of its parent companies.

### **Research and development activities**

No specific research and development activities were held.

### **Management and coordination activity**

As of June 30, 2019 the company does not manage or possess other companies.

The Company is an indirect subsidiary of Mediobanca S.p.A., by the intermediation of CheBanca! S.p.A. with registered office in Milan, viale Bodio 37 - Palazzo 4, Fiscal code: 10359360152, which possesses a 90% quota of the authorized capital.

The company is managed and coordinated by Mediobanca S.p.A., registered office in Milan, n. 1, Piazzetta Enrico Cuccia, under art. 2497 and the succeeding, of the Italian Civil Code.

The authorized capital is composed as follows:

- 90% (for a value of € 90,000) held by Che Banca! S.p.A.;
- 10% (for a value of € 10,000) held by S.P.V. Holding S.r.l.;

### **Significant events after the end of the period**

After June 30, 2019, there have been no significant events that had an impact on the Company's balance sheet, income statement and financial position

### **Corporate continuity – GOING CONCERN**

During the preparation of the Financial Statements, an assessment was made of by the Company's ability to operate as an entity with a time horizon of twelve months after the date of the Financial Statements. This assessment took into account all the available information and the specific activities of the Company whose only purpose, in accordance with Law n.130 of April 30, 1999, is the realization of one or more covered bond transactions.

Consequently, these Financial Statements have been prepared on the basis of a going concern, since no events or conditions may lead to doubts about the Company's ability to continue as a going concern.

### **Related parties**

Mediobanca Covered Bond S.r.l. maintains a business relationship with Mediobanca S.p.A. and CheBanca! S.p.A. concerning the *covered bond* transaction. This relationship is being governed by market conditions. Please refer to Section D of the Notes to the Financial Statements for more information.

### **Risks and related hedging policy**

For information regarding risks and hedging policy, please refer to Part D, Section 3 of the Notes to the Financial Statements.

**Other informations**

Please note that, referring to the Company's obligations under the Regulations of Gov. Decr. n. 196 from June 30, 2003 "Personal data protection", pursuant to article 29, paragraphs 1 and 3, the company has appointed CheBanca! responsible for the processing of data carried out through the provision of administration, management, collection and recovery services.

**Tax Treatment of the Segregated Assets**

Pursuant to Circular 8/E, dated February 6, 2003, the revenue from segregated assets management during the securitization is not available to the Company, therefore it is not taxable. This treatment confirms the Disposition of the Bank of Italy dated March 29, 2000, stating that the income statement of the Company is not influenced by income and charges relating to securitization management.

Only at the end of the securitization, and after paying all the creditors of the segregated assets, taxes are applied to any funds available to the Company.

Please note furthermore that the segregated assets contain credits for withholding tax applied on interest income earned on current accounts. Pursuant to Resolution No. 222/E from December 5, 2003, this payment may be deducted during the financial year in which the securitization ends.

**Secondary offices**

The company hasn't secondary offices.

**Employees**

The Company has no employees.

**Profit or Loss allocation**

Dear shareholders,  
the financial statements broke even, so there is no allocation of profits to be made.

Milan, July 17, 2019

The Chairman of the  
Board of Directors  
Dr. Stefano Radice



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Milan Registrar of Companies, n. 03915310969

Economic Administration Register, n. : 1712103

Authorized Capital Euro 100.000

Registered under no. 34916 of the General List of Financial Intermediaries pursuant to Article 106 of Legislative Decree No 385/1993

**Managed and Coordinated by: Mediobanca S.p.A.**

**FINANCIAL STATEMENTS AS OF JUNE 30, 2019**

<b><u>BALANCE SHEET</u></b>		in Euro	
		30.06.2019	30.06.2018
<b><u>ASSETS</u></b>			
<b>40</b>	<b>Financial assets valued at amortised cost</b>	<b>€ 99.975</b>	<b>€ 99.975</b>
	of which		
a)	receivables towards bank	€ 99.975	€ 99.975
b)	receivables towards financial companies	€ -	€ -
c)	trade receivables	€ -	€ -
<b>100</b>	<b>Tax assets</b>	<b>€ 272</b>	<b>€ 272</b>
	of which		
a)	current	€ 272	€ 272
b)	deferred	€ -	€ -
<b>120</b>	<b>Other assets</b>	<b>€ 455.996</b>	<b>€ 375.114</b>
	<b><u>Total assets</u></b>	<b><u>€ 556.243</u></b>	<b><u>€ 475.361</u></b>
<b><u>LIABILITIES AND NET EQUITY</u></b>			
<b>60</b>	<b>Tax liabilities</b>	<b>€ -</b>	<b>€ -</b>
	of which		
a)	current	€ -	€ -
b)	deferred	€ -	€ -
<b>80</b>	<b>Other liabilities</b>	<b>€ 480.388</b>	<b>€ 399.505</b>
<b>110</b>	<b>Share Capital</b>	<b>€ 100.000</b>	<b>€ 100.000</b>
<b>150</b>	<b>Reserves</b>	<b>-€ 24.144</b>	<b>-€ 24.144</b>
<b>170</b>	<b>Net Profit (loss) for the period</b>	<b>€ -</b>	<b>€ -</b>



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**STATEMENT OF CHANGES IN EQUITY**

	Balance on 30.06.2018	Changes in opening balances	Balance on 01.07.2018	Allocation of profit for previous period		Changes during the reference period					Overall profit for the 12 months ended 30.06.2019	Net equity as of 30.06.2019	
				Reserves	Dividends and other dispositions	Changes to reserves	Operations on net equity						
							New shares issued	Treasury shares acquired	Extraordinary dividend payouts	Change to equity instruments			Other variations
Capital	€ 100.000	€ 0	€ 100.000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 100.000
Premium on emissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Reserves													
a) from profit	-€ 24.210	€ 0	-€ 24.210	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 24.210
b) other	€ 66	€ 0	€ 66	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 66
Evaluation reserves	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Capital instruments	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Property share	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Profit (loss) of the year	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Net equity	€ 75.856	€ 0	€ 75.856	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 75.856

	Balance on 30.06.2017	Changes in opening balances	Balance on 01.07.2017	Allocation of profit for previous period		Changes during the reference period					Overall profit for the 12 months ended 30.06.2018	Net equity as of 30.06.2018	
				Reserves	Dividends and other dispositions	Changes to reserves	Operations on net equity						
							New shares issued	Treasury shares acquired	Extraordinary dividend payouts	Change to equity instruments			Other variations
Capital	€ 100.000	€ 0	€ 100.000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 100.000
Premium on emissions	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Reserves													
a) from profit	-€ 24.210	€ 0	-€ 24.210	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	-€ 24.210
b) other	€ 66	€ 0	€ 66	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 66
Evaluation reserves	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Capital instruments	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Property share	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Profit (loss) of the year	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Net equity	€ 75.856	€ 0	€ 75.856	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 75.856

Milan, July 17, 2019

The Chairman of the  
Board of Directors  
Dr. Stefano Radice

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**STATEMENT OF COMPREHENSIVE INCOME**

Items	Period	Period
	1/7/2017 - 30/06/2018	1/7/2018 - 30/06/2019
<b>10. Profit (loss) for period</b>	-	-
<b>Other income items net of tax without passing through profit and loss</b>		
20. <i>Property, plant and equipment</i>	-	-
30. <i>Intangible assets</i>	-	-
40. <i>Defined benefit plans</i>	-	-
50. <i>Non-current assets being sold</i>	-	-
60. <i>Share of valuation reserves attributable to equity-accounted companies</i>	-	-
<b>Other income items net of tax passing through profit and loss</b>	-	-
70. <i>Foreign investments hedge</i>	-	-
80. <i>Exchange rate difference</i>	-	-
90. <i>Cash flow hedges</i>	-	-
100. <i>Financial assets available for sale</i>	-	-
110. <i>Non-current assets being sold</i>	-	-
120. <i>Share of valuation reserves attributable to equity-accounted companies</i>	-	-
<b>130. Total other income items, net of tax</b>	-	-
<b>140. Comprehensive income (headings 10 + 130)</b>	-	-

Milan, July 17, 2019

The Chairman of the  
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**CASH FLOW STATEMENT - FINANCIAL INTERMEDIARIES**

Direct method

	30.06.2019	30.06.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>1. OPERATING ACTIVITIES</b>	€ 0	€ 0
- interest income and assimilated revenues	€ 100	€ 100
- other expensenses paid	-€ 100	-€ 100
<b>2. CASH GENERATED/ABSORBED BY FINANCIAL ASSETS</b>	€ 0	€ 0
- Other assets	€ 0	€ 0
<b>3. CASH GENERATED/ABSORBED BY FINANCIAL LIABILITIES</b>	€ 0	€ 0
- liabilities	€ 0	€ 0
<b>NET CASH FLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	€ 0	€ 0
<b>B. INVESTMENT ACTIVITY</b>	€ 0	€ 0
<b>NET CASH FLOW (OUTFLOW) FROM INVESTMENTS/SERVICING OF FINANCE</b>		
<b>C. FUNDING ACTIVITIES</b>	€ 0	€ 0
<b>NET CASH FLOW (OUTFLOW) FROM FUNDING ACTIVITIES</b>		
<b>NET CASH FLOW (OUTFLOW) DURING PERIOD</b>	€ 0	€ 0
<b>RECONCILIATION</b>		
CASH AND CASH EQUIVALENT: BALANCE AT START PERIOD	€ 99.975	€ 99.975
TOTAL CASH FLOW (OUTFLOW) DURING PERIOD	€ 0	€ 0
CASH AND CASH EQUIVALENT: BALANCE AT END OF PERIOD	€ 99.975	€ 99.975
Milan, July 17, 2019		
The Chairman of the Board of Directors Dr. Stefano Radice		

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Transferee company for the guarantee of covered bank bonds pursuant to  
Article 7-bis of Law April 30, 1999 No 130 – No 32820

**Managed and coordinated by: Mediobanca S.p.A.**

## **NOTES TO THE FINANCIAL STATEMENTS**

**CLOSED ON JUNE, 30 2019**

### **Operations of the Company**

The only operation of the Company is the purchase from banks, within one or several issuing campaigns of Bonds guaranteed under art. 7-bis of Italian Law n. 130/1999, of land and mortgage credits, credits concerning Public administration entities or credits guaranteed by these entities, securities issued during Securitizing campaigns whose subject are credits of the above mentioned type, realized by assuming financing granted or also guaranteed by the banks that grant it, and by guaranteeing for Bonds issued by the same banks or by different banks, governed by the above mentioned art. 7-bis of Italian Law n.130/99.

### **Structure and contents of the Financial Statements**

The financial statements comprises:

- Balance sheet;
- Income statement;
- Statement of comprehensive income;
- Statement of changes in equity;
- Cash flow statement;

- Notes to the financial statements

and is accompanied by the Director's Report.

The amounts are in Euro and, in order to assure a better understanding of the data in the Notes to the Financial Statements, additional information on main items is provided where necessary.

The Financial Statements were audited by the independent auditor PricewaterhouseCoopers S.p.A.

The Notes to the Financial Statements include four sections:

- Section A – Accountancy policies
- Section B – Balance sheet information
- Section C – Income statement information
- Section D – Other information.

Each part of the Notes to the Financial Statements is divided into sections that illustrate each aspect of the company's operations.

The sections contain both qualitative and quantitative information.

Quantitative information is generally made up of items and tables.

The tables have been drawn up in compliance with the schemes provided for by current regulations.

### **Covered Bond transactions**

The accountant presentation of the Covered Bond transactions is in compliance with Italian Law 130/99, which states that “the receivables related to each transaction are a segregated assets, apart from company's assets, and from assets related to other transactions”.

The recording of assets and liabilities in the Notes to the financial statements conforms to administrative regulations of the Bank of Italy, under art. 9 of the gov. decr. 38/2005, observing IFRS. This approach also complies with the provisions of Law n. 130/99, according to which credits concerning each transaction constitute a segregated assets, which is not part of company's assets, and of the assets concerning other transactions.

With specific reference to the financial statements, it is considered appropriate to use the formats provided for in the Regulation issued by the Bank of Italy on December 22, 2017 "The financial statements of IFRS intermediaries other than banking intermediaries". The Bank of Italy expressly determines the following:

- a) the accounting data pertaining to each securitization transaction will be separately highlighted in a special chapter of the Notes to the Financial Statements;
- b) each chapter will contain all the quantity and quality data needed to present the transaction in a clear and comprehensive manner.

In particular, the Bank of Italy requires to include in the Notes to the Financial Statements a minimum of information, as described hereafter.

Section D, "*Other information*" must contain a chapter reporting concisely *at least* the following: amount of the purchased credits (nominal and transfer value), amount of the received financing, with distinction of the relative subordination for each tranche.

Even if not expressly required, it is advisable to submit an overview of the situation. Information that is not clear or excessive is to be avoided, in accordance with the substance over form principle.

Each described transaction must report *at least* the following information:

*About quality:*

- description and course of the transaction;
- subjects involved;
- features of the issued Securities;
- additional financial transactions; and
- operational power of the assignee.

*About quantity:*

- receivables flow information ;
- evolution of matured receivables;



- liquidity flows of the year;
- guarantees and liquidity lines;
- breakdown of securitized assets and debts outstanding at year-end for residual life;
- breakdown of securitized assets by geographic area and by currency; and
- risk concentration and information regarding the degree of subdivision of the portfolio.

## **PART A**

### **ACCOUNTANCY POLICIES**

#### **A.1 GENERAL**

##### **Section 1: Statement of compliance with International Accounting Standards**

The Financial Statements are compliant with the accounting standards endorsed as at the date of preparing the Financial Statements.

Since January 01, 2009, the IAS 1 is being applied - "Presentation of the Financial Statements", in its updated version (EC regulation n. 1274/2008). Specifically, the update of IAS 1 included, among the compulsory accounting standards, the Total Profitability Statement, which shows the economic effects of non-produced costs and revenues, included not in the income statement but in the net equity, as required by accounting standards. This information can be included, as of IAS 1, at the bottom of the Income statement, or in a separate table. The company preferred the second option. The Financial Statements are prepared using the formats required by the "Instructions for the preparation of the financial statements and reports of Financial Intermediaries, Payment Institutions, Electronic Money Institutions, SGRs and SIMs" of December 22, 2017 issued by the Bank of Italy.

Pending the issue of a new regulatory source that regulates, in place of the previous one, the balance sheet material of SPV companies for securitization, the previous tables have been used for the closing of these financial statements. It was considered to be the most appropriate in order to provide information on the Company's financial position, results of operations and cash flows, which is useful for users to make economic decisions and which is at the same time relevant, reliable, comparable and understandable both with regard to corporate management and with regard to the separate assets.

This decision is also based on respect for the general principle of continuity in the representation of operating events to the benefit of the comprehensibility of the financial statements.

## **Section 2: Basis of preparation**

The Financial Statements have taken into consideration the International Accounting Standards as well as the Regulation issued by the Bank of Italy on December 22, 2017 (concerning statements of financial entities) and, when necessary, other regulations.

### **Reclassification of previous years balances**

Pursuant to IAS 8, we confirm that no changes were made in accountancy policies nor in accounting evaluation, compared to the previous financial year. Whenever necessary for a better understanding of the Financial Statements, the values compared with those from the previous year have been reclassified.

### **Amendments to IAS/IFRS**

Here are the recently issued regulations that have integrated the regulations on accounting standards:

<b>REGULATION</b>	<b>TOPIC</b>
2015/2113 November 23, 2015	Amendment to IAS 16 - <i>Property, Plant and Equipment</i>
2015/2173 November 24, 2015	Amendment to IFRS 11 - <i>Joint Arrangements</i>
2015/2231 December 2, 2015	Amendment to IAS 16 - <i>Property, Plant and Equipment</i>  Amendment to IAS 38 - <i>Intangible Assets</i>

2015/2343 December 15, 2015	<p>Amendment to IFRS 5 – <i>Non- Current Assets Held for Sale and Discontinued Operations</i></p> <p>Amendment to IFRS 7 – <i>Financial Instruments: Disclosures</i></p>
	<p>IAS 19 – <i>Employee Benefits</i></p> <p>IAS 34 – <i>Interim Financial Reporting</i></p>
2015/2406 December 18, 2015	Amendment to IAS 1 – <i>Presentation of Financial Statements</i>
2015/2441 December 18, 2015	Amendment to IAS 27 – <i>Separate Financial Statements</i>
2016/1703 September 22, 2016	<p>Amendment to IFRS 10 – <i>Consolidated Financial Statements</i></p> <p>Amendment to IFRS 12 – <i>Disclosure of Interests in Other Entities</i></p> <p>Amendment to IAS 28 – <i>Investments in Associates and Joint Ventures</i></p>
2016/1905 September 22, 2016	Adoption of IFRS 15 – <i>Revenue from contracts with customers</i>
2016/2067 November 22, 2016	Adoption of IFRS 9 – <i>Financial instruments</i>

**Securitizing transactions**

According to Section 1, Part A 1.1 of these Notes, the Company continues to apply the instructions issued by the Bank of Italy on 22 December 2017 for the preparation of these financial statements. Consequently, purchased receivables, securities issued and other transactions carried out as part of the securitization transaction are shown in a special schedule and described in a specific section of the Notes to the Financial Statements and do not form part of the financial statements.

This approach also complies with the provisions of Law n. 130/99, according to which “credits concerning each transaction constitute a segregated assets, which is not part of company’s assets, and of the assets concerning other transactions”.

Consequently, these amounts relating to the covered bond transaction were not affected by the application of IAS/IFRS.

We note that accountancy processing of financial assets or groups of assets, and liabilities as a result of securitization, is still to be elaborated by competent accountant institutions, who have not delivered a formal interpretation by now.

We underline that the Legislative Decree n. 139/2015 was also published on September 4, effective from the financial statements for the years beginning on or after January 1, 2017, pursuant to which important changes have been introduced to the valuation criteria of some items in the financial statements of companies required to follow the accounting rules dictated by the Italian Civil Code and Italian accounting principles.

It should be noted that, pending an express clarification of the applicable regulations regarding the applicability of these changes to the segregated assets of vehicle companies for securitization, the Company has decided to maintain unchanged the valuation criteria relating to the items in the prospectus, in compliance with the principle of going concern.

**Section 3: Significant events after the balance date**

No relevant events were registered after June 30, 2019.

**Going concern**

During the preparation of the Financial Statements, we assessed the preconditions relating to the Company's ability to operate as an entity for at least twelve months after the date of the Financial Statements. In this assessment we used all the available information and specific activities performed by the Company whose only corporate purpose, in accordance with the Law 130, April 30, 1999, is the realization of one or more securitization transactions.

Consequently, the Financial Statements has been prepared with the prospect of continuing the activity, since there are no events or conditions that may lead to doubts about the Company's ability to remain a working entity.

**A.2 MAIN ELEMENTS OF THE FINANCIAL STATEMENTS****Receivables****Registration standards**

Receivables and payables are initially registered at fair value.

**Standards for evaluation and recognizing of receivables**

After initial recognition, except in case of events that bring about value losses, the receivables keep their initial registration value. The short term nature of these receivables makes the effect of time-discounting, according to cost amortization rule, negligible. Receivables are analysed for impairment and if impaired, a value adjustment is registered in the income statement.

The original value of receivables is restored during the following financial periods if the reasons for recognising an impairment no longer exists and the valuation is due to an event that occurred after the impairment loss was

recognised. The reversal of impairment losses is recognised in the Statement of Income.

### **Derecognizing standards**

Receivables are derecognised from the Balance Sheet only when contract rights to the cash flows from the financial asset expire, or when they are sold transferring substantially all the risks and rewards of ownership. Otherwise, receivables continue to be recognised in the Balance Sheet, even if their juridical possession was assigned to third parties.

### **Tax Assets and Liabilities**

This item includes current and deferred tax assets and liabilities.

The recognition of deferred tax occurs at the time the different types of taxes are ascertainable.

Income taxes, current and deferred, are calculated in compliance with current tax legislation.

Current and deferred tax assets and liabilities are presented without any compensation.

Current tax assets are registered by entering the nominal value of related credits into advance tax payment. The current tax liabilities are also recorded at their nominal value, for withholding tax, while yearly income taxes are estimated realistically, applying the tax law in force.

The current taxes (assets and liabilities) are cancelled when the different types of taxes operated as a withholding tax are paid at maturity according to law.

### **Other assets**

This item includes receivables not related to other items of the Financial Statements.

These items are recorded at nominal value or at net realizable value, if lower.

### **Other liabilities**

This item includes amounts not related to other items of the Financial Statements, including supplier payables and segregated assets payables.

These items are recorded at nominal value.

### **Costs and revenues**

The costs and revenues of the year are registered in the Financial Statements according to the accruals basis of accounting. Costs and Revenues are included in the Income Statement only when it is considered probable that economic benefits will flow in or out of the Company and when their value can be reliably measured, and, when risks and benefits concerning assets and liabilities have been transferred. In particular, the costs and revenues are recognized in the income statement at the time of occurrence of the economic event.

### **Evaluation standards used during the preparation of the Operating Circular**

The accounting information related to the securitization transaction is illustrated in the Enclosed documents to the Notes to the Financial Statements, according to the Regulation dated December 15, 2015 – “Instructions for preparing the financial statements of financial intermediaries registered in the Special list” of the Bank of Italy.

The standards required by the Operating Circular are those set by Gov. Decr. 87/1992 and its amendments, as securitization transactions are not governed by IAS/IFRS, as already mentioned in Part A – Accountancy policies.

All items include amounts deriving from the accounting and internal information system. The accounting methodology applied allows, through reclassification entries, to reconcile the line items of the table above with the accountancy.

Below are descriptions of the standards applied to evaluate the most significant items.



**Securitized assets****Receivables**

The receivables are registered at their purchase cost and are reduced as a result of collections during the year.

The adjustments to the portfolio credits have been recognized in the financial Statements of the Originator, the latter bearing all the risks and benefits of the securitization.

**Other assets (Receivables, Prepaid expenses and Accrued income)**

The receivables are registered at their nominal value which equals their presumable market value.

Prepaid expenses and accrued income are displayed at their nominal value. Prepaid expenses and accrued income are accounted for under the accruals basis of accounting.

**Application of the Funds**

Displayed at their nominal value.

**Received financing**

The received financing is displayed at its nominal value and is refunded exclusively with the amounts coming from the collection of receivables subject to assignment.

**Other liabilities (payables, accrued expenses and deferred income)**

Liabilities, accrued expenses and deferred income are recorded at their nominal value. Accrued expenses and deferred income were accounted for using the accruals basis of accounting.

**Interests, commissions, incomes and expenses**

The income and expenses related to securitized assets and to issued securities, interests, commissions, revenues, and other income and expenses, are accounted for using the accruals basis of accounting. The

gains and losses on receivables are recorded at the moment of collection/payment.

**Off-balance sheet transactions**

Derivative contracts are entered into exclusively for hedging purposes and are valued at cost.

As provided in Circular n. 8 of February 6, 2003 of the Italian Taxpayer's Office, regarding the tax treatment of segregated assets of securitization companies, the estimate of direct taxes is based only on the taxable income of the SPV company.

**A.3 INFORMATION ON TRANSFERS BETWEEN INVESTMENT PORTFOLIOS**

There are no transfers of portfolios during the financial year.

**A.4 INFORMATION ON FAIR VALUE**

The company does not hold any financial instruments valued at fair value on a recurring basis which are classified in Levels 2 and 3 of IFRS 13.

Financial instruments not valued at fair value on a recurring basis such as payables and receivables to customers and banks are not managed on the basis of fair value.

For these instruments, the fair value is calculated only for the purpose of fulfilling requests for information to the market and this value has no impact on the financial statements or in terms of profits or losses.

The fair value of receivables and payables to banks has been conventionally regarded as equal to the Relevant book value because of their short duration.

**A5. DAY ONE PROFIT/LOSS**

Given the company's activities, this part of the Notes to the Financial Statements is not applicable.

**SECTION B****BALANCE SHEET INFORMATION****ASSETS****Part 4 – Financial assets valued at amortised cost– Item 40**

	<b>30-06-2019</b>	<b>30-06-2018</b>
<b>40.a Receivables towards bank valued at amortised cost</b>	<b>€ 99,975</b>	<b>€ 99,975</b>

The amount includes the temporary active balance of the current account in Mediobanca S.p.A. in Milan n. 700927 – *Corporate Capital Account*. It is an on-demand receivable.

Structure	Total 30.06.2019						Total 30.06.2018					
	Financial Statements value			Fair value			Financial Statements value			Fair value		
	<i>First and second stage</i>	<i>Third stage</i>	<i>Of which: impaired acquired or originated</i>	<b>L1</b>	<b>L2</b>	<b>L3</b>	<i>First and second stage</i>	<i>Third stage</i>	<i>Of which: impaired acquired or originated</i>	<b>L1</b>	<b>L2</b>	<b>L3</b>
1. Deposits and current accounts	99,975				99,975		99,975				99,975	
2. Financing												
2.1 Repurchase agreements												
2.2 From financial lease												
2.3 from factoring												
- credits to assignors												
- credits to assignee debtors												
2.4 Other financing												
3. Debt instruments												
- structured securities												
- other debt												

instruments												
4. Other assets												
<b>Total Financial Statements value</b>	99,975						99,975					
<b>Total Fair Value L2</b>					99,975						99,975	

**Part 10 – Tax assets and liabilities – Item 100**

*10.1 Structure of Item 100 “Tax assets: current and deferred”*

	30-06-2019	30-06-2018
<b>100.a Tax Assets</b>	€ 272	€ 272

The item consists entirely of receivables IRES.

**Part 12 – Other assets – Item 120**

*12.1 Structure of Item 120 “Other assets”*

	30-06-2019	30-06-2018
<b>120. Other Assets</b>	€ 455,996	€ 375,114

The item consists entirely of receivables accrued in respect of the segregated assets.

**LIABILITIES**

**Part 8 – Other liabilities – Item 80**

*8.1 Structure of item 80 “Other liabilities”*

	30-06-2019	30-06-2018
<b>80. Other Liabilities</b>	€ 480,388	€ 399,505

This item includes Supplier payables € 46,264 for invoices to be received and € 434,123 for various payables to the segregated assets.

### **Part 11 – Equity – Items 110**

#### *11.1 Structure of Item 110 “Equity”*

	30-06-2019	30-06-2018
<b>110. Equity</b>	€ 100,000	€ 100,000

The authorized capital, completely paid up, consists of 100,000 quotas, and is composed as follows:

- 90% (for a value of € 90,000) held by CheBanca S.p.A.;
- 10% (for a value of € 10,000) held by S.P.V. Holding S.r.l..

#### *11.1 Structure of item 110 “Capital”*

Types	Amount
1. Capital	100,000
1.1 Ordinary shares	-
1.2 Other shares (quotas)	100,000

#### *11.5 Other information*

#### **Quotaholders’ equity changes**

	CAPITAL	RESERVE	INCOME FOR YEAR	TOTAL EQUITY
<b>Balance on 30.06.17</b>	100,000	-24,144	-	75,856

<b>Balance on 30.06.18</b>	100,000	-24,144	-	75,856
<b>Balance on 30.06.19</b>	100,000	-24,144	-	75,856

	<b>30-06-2019</b>	<b>30-06-2018</b>
<b>150. Reserves</b>	<b>€ -24,144</b>	<b>€ -24,144</b>

Please find enclosed the required info from Article 2427, paragraph 1, subsection 7 bis, of the Italian Civil Code.

Nature/description	Amount	Possibility of use	Available amount
Capital	100.000		
Legal reserve	0	B	-----
Other reserves	66	A,B	66
Loss carried forwards	-24.210		
Profit for year	0		
Total balance on 30.06.2019	75.856		66

Legend - A: for capital increase; B: for loss coverage; C: for distribution between quota holders

### **SECTION C**

#### **INCOME STATEMENT INFORMATION COSTS**

##### **Part 10 – Administrative expenses - Item 160**

The company has no working employees, and has not paid any personnel expenses.

##### *10.3 Structure of the item 160,b “Other administrative expenses”*

	<b>30-06-2019</b>	<b>30-06-2018</b>
<b>160. Other administrative expenses</b>	<b>€ 81,199</b>	<b>€ 74,949</b>

The amount includes ordinary managing expenses, such as:

	30-06-2019	30-06-2018
Auditing	€ 29,524	€ 29,524
Professional advisors expenses	€ 10,004	€ 9,760
Stamp duties	€ 1,043	€ 620
Fee for book endorsements	€ 310	€ 310
CCIAA	€ 120	€ 120
Other administrative expenses	€ 38,223	€ 31,564
Notarial expenses	€ 1,974	€ 3,051
Contingent liabilities (net)	€ -	€ -

The item ordinary management costs is made up primarily of costs for the maintenance of statutory books (27,679 €) and for cost of publications in the Official Journal (10,205 €).

#### ***Part 14 – Other operating revenues and expenses – Item 200***

##### *14.2 Structure of other operating revenues*

	30-06-2019	30-06-2018
<b>200. Other operating revenues and expenses</b>	<b>€ 81,199</b>	<b>€ 74,949</b>

#### ***Part 19 - Income tax for the year on ordinary activities – Item 270***

##### *19.1 Structure of the item 270 “Income tax for the year on ordinary activities”*

	30-06-2019	30-06-2018
<b>270. Income Tax</b>	<b>€ -</b>	<b>€ -</b>



**SECTION D**  
**OTHER INFORMATION**

*Part 1 – Specific reference to company operation*

**H. COVERED BONDS**

In the absence of specific tables required by the Provision of the Bank of Italy dated December 22, 2017, it was decided to set the information provided in this section under the structure explicitly required for section "F. Securitization", already used, as per Bank of Italy Provision of 15 December 2015..

Below is the breakdown of the initial portfolio and the portfolios purchased later, as of June 30, 2019, as well as the funding obtained for the purchase of portfolios in the form of subordinated loans issued by the Originator bank.

**SECURITIZATION OF ASSETS****SECURITIZATION 2011***Summary of the securitization assets and the issued Securities*

		<b>30.06.2019</b>	<b>30.06.2018</b>
<b>A</b>	<b>SECURITIZATION ASSETS</b>	<b>5,249,363,191</b>	<b>5,219,140,213</b>
A1	Receivables		
	Receivables acquired from the Originator	5,249,363,191	5,219,140,213
<b>B</b>	<b>INVESTMENT OF FUNDS DERIVING FROM THE RECEIVABLES MANAGEMENT</b>	<b>393,413,904</b>	<b>389,624,941</b>
B1	Debt instruments		
B2	Liquidity	295,416,473	303,249,411
B3	Accrued income and Prepaid expenses	68,379,607	58,226,047
B4	Withholding tax on interest income	1,392,116	1,392,116
B5	Other receivables	434,123	380,471
B6	Receivables from Originator	26,981,593	26,117,316
B7	Swap commissions to be amortized	809,990	259,581
<b>D</b>	<b>RECEIVED FINANCING</b>	<b>5,350,286,857</b>	<b>5,350,286,857</b>
D1	Received financing tranche A	3,000,000,000	3,000,000,000
D2	Received financing tranche B	1,528,296,689	1,528,296,689
D3	Received financing	821,990,168	821,990,168
<b>E</b>	<b>OTHER LIABILITIES</b>	<b>298,886,828</b>	<b>259,342,575</b>
E1	Suppliers for securitization services	1,977,597	1,967,964
E2	Accrued expenses on interests on financing	46,669,271	40,645,833
E3	Various accrued expenses	30,404,406	27,941,988
E4	Premium payables	456,004	374,806
E5	Other payables	484	-
E6	Payables to Originator	219,379,067	188,411,984
<b>G</b>	<b>COMMISSIONS AND FEES CONCERNING THE TRANSACTION</b>	<b>7,810,070</b>	<b>6,396,728</b>

<b>G1</b>	Servicing fee	7,728,397	6,315,014
<b>G2</b>	Other services	81,673	81,714
	Corporate Servicing Agreement	66,133	66,174
	Paying Agent	7,000	7,000
	Asset Monitor	-	-
	Repr. of Bondholders	8,540	8,540
<b>H</b>	<b>OTHER EXPENSES</b>	<b>286,041,536</b>	<b>224,864,926</b>
H1	SPV costs	81,199	74,949
H2	Interest loss on derivatives	128,006,228	101,076,816
H3	Interest loss on financing	62,104,167	52,325,521
H4	Premium interest	95,712,426	71,335,463
H5	Other expenses	115,877	34,655
H6	Interest loss on current accounts	21,022	17,522
H7	Contingent liabilities	619	-
<b>I</b>	<b>INTERESTS FROM SECURITIZED ASSETS</b>	<b>107,097,009</b>	<b>84,776,328</b>
<b>L</b>	<b>OTHER INCOMES</b>	<b>180,358,006</b>	<b>145,621,048</b>
L1	Interest income on current accounts		-
L2	Interest income on derivatives	180,349,166	145,621,048
L3	Contingent assets		-
L4	Other incomes	8,840	-
	<b>Profit / Loss</b>	<b>(6,396,591)</b>	<b>(864,278)</b>

The items in the Income statement comply with the economic competence standard.

**DETAILS OF THE ITEMS REFERRING TO THE PREVIOUS  
TABLE**

	<b>30.06.2019</b>		<b>30.06.2018</b>	
<b>A. SECURITIZED ASSETS</b>	€	<b>5,249,363,191</b>	€	<b>5,219,140,213</b>
A1. Mortgages	€	5,249,363,191	€	5,219,140,213
<b>B. INVESTMENT OF FUNDS DERIVING FROM RECEIVABLES MANAGEMENT</b>	€	<b>393,413,904</b>	€	<b>389,624,941</b>
B1. Debt Instruments	€	-	€	-
B2. Liquidity	€	295,416,473	€	303,249,411
Expenses Account	€	22,813	€	12,271
Collection Account	€	3,179,253	€	3,855,466
Transaction Account	€	226,214,407	€	242,319,174
Reserve Account	€	66,000,000	€	57,062,500
B3. Prepaid Expenses and Accrued Income	€	68,379,607	€	58,226,047
Prepaid Expenses and Accrued Income from Cover pool swap	€	29,354,950	€	26,375,951
Prepaid Expenses and Accrued Income from Cover bond swap	€	39,024,656	€	31,850,096
B4. Withholding tax on interest income:	€	1,392,116	€	1,392,116
B5. Other receivables	€	434,123	€	380,471
B6. Receivables from Originator	€	26,981,593	€	26,117,316
B7. Swap commissions to be amortized	€	809,990	€	259,581
<b>D. RECEIVED FINANCING</b>	€	<b>5,350,286,857</b>	€	<b>5,350,286,857</b>
D1. Received financing tranche A	€	3,000,000,000	€	3,000,000,000
D2. Received financing tranche B	€	1,528,296,689	€	1,528,296,689
D3. Received financing	€	821,990,168	€	821,990,168
<b>E. OTHER LIABILITIES</b>	€	<b>298,886,828</b>	€	<b>259,342,575</b>
E1. Suppliers for securitization services	€	1,977,597	€	1,967,964
Suppliers for invoices to be collected	€	1,977,597	€	1,967,964
E2. Accrued expenses on interests over financing	€	46,699,271	€	40,645,833
Accrued expenses on financing tranche A	€	46,699,271	€	40,645,833
Accrued expenses on financing tranche B	€	-	€	-

E3. Various accrued expenses	€	30,404,406	€	27,941,988
Accrued expenses on derivatives from Cover pool swap	€	27,879,844	€	25,819,060
Accrued expenses on derivatives from Cover bond swap	€	2,524,562	€	2,122,928
Others Accrued expenses	€	-	€	-
E4. Premium payables	€	456,004	€	374,806
E5. Other payables	€	484	€	-
E6. Payables to Originator	€	219,379,067	€	188,411,984
Payables to CheBanca	€	190,827,687	€	164,497,886
Payables to CheBanca Home Insurances	€	117,676	€	92,901
Payables to CheBanca Work Insurances	€	1,388,085	€	986,490
Payables to CheBanca Life Insurances	€	2,684,067	€	2,038,253
Payables to CheBanca Man.	€	6,400,904	€	5,578,196
Payables to Met Life	€	4,194,846	€	2,661,575
Payables to Cardiff Life Insurance	€	12,149,733	€	10,943,364
Suspended advance payments on mortgage instalments	€	1,616,069	€	1,616,069
<b>G. COMMISSIONS AND FEES CONCERNING THE TRANSACTION</b>	€	<b>7,810,070</b>	€	<b>6,396,728</b>
G1. Servicing fees	€	7,728,397	€	6,315,014
G2. Other services	€	81,673	€	81,714
Paying Agent Fees	€	7,000	€	7,000
Representative of the Bondholders	€	8,540	€	8,540
Corporate Servicing Agreement Fees	€	66,133	€	66,174
<b>H. OTHER EXPENSES</b>	€	<b>286,041,536</b>	€	<b>224,864,926</b>
H1. SPV maintenance costs	€	81,199	€	74,949
H2. Interest loss on derivatives	€	128,006,228	€	101,076,816
Interest loss on derivatives Cover pool swap	€	111,931,808	€	88,393,941
Interest loss on derivatives Cover bond swap	€	16,074,420	€	12,682,875
H3. Interest loss on financing	€	62,104,167	€	52,325,521
Interest loss on financing tranche A	€	62,104,167	€	52,325,521
Interest loss on financing tranche B	€	-	€	-
H4. Premium Interest	€	95,712,426	€	71,335,463
H5. Other expenses	€	115,877	€	34,655

Swap commissions	€	115,877	€	34,655
H6. Interest loss on Bank Current accounts	€	21,022	€	17,522
H7. Contingent losses	€	619	€	-
<b>I. INTERESTS FROM SECURITIZED ASSETS</b>	€	<b>107,097,009</b>	€	<b>84,776,328</b>
Interest income on mortgage loans	€	108,164,495	€	85,585,613
Interests on arrears on mortgage loans	€	5,608	€	10,023
Interest gain from suspension of instalments on mortgages	€	149	€	4,116
Mortgage expenses refund	€	12,565	€	9,986
Management cost refund	€	2,103,167	€	2,218,618
Penalties for late payment	€	45,536	€	75,209
Penalties for early repayment	€	83,661	€	121,786
Income from adjustment on investigation expenses	€	973,977	€	439,716
Losses due to commission adjustment	€	(4,292,149)	€	(3,688,739)
<b>L. OTHER INCOMES</b>	€	<b>180,358,006</b>	€	<b>145,621,048</b>
L1. Interest income on current accounts	€	-	€	-
L2. Interest income on derivatives	€	180,349,166	€	145,621,048
Interest income on derivatives Cover pool swap	€	117,502,106	€	93,649,747
Interest income on derivatives Cover bond swap	€	62,847,060	€	51,971,302
L3 Contingent assets	€	-	€	-
L4 Other incomes	€	8,840	€	-
Gain from contractual changes CheBanca	€	8,840	€	-

## QUALITY INFORMATION

### *Transaction description and development*

- **Transaction date and description**

The Mediobanca Spa Covered Bonds issuing transaction was completed on December 12, 2011, and became effective on December 14, 2011, pursuant to Article 7-bis of Law 130/1999. The first tranche of issued bonds amounted to € 1,500,000,000 within a program that provides total emissions of € 5,000,000,000. The company therefore purchased, without recourse, on November 30, 2011 an initial portfolio of residential mortgage loans from the company CheBanca! S.p.a. to act as a guarantor for the issued securities.

The initial sale included the following conditions:

all credits deriving from *in bonis* mortgage loans granted under the loan agreements which, as of September 30, 2011, met the following requirements:

- (1) credits deriving from loans granted by CheBanca! S.p.A. (also under the name Micos S.p.A. and Micos Banca S.p.A.);
- (2) loans in which the ratio between the granted amount plus the outstanding principal of any previous mortgages on the same property shall not exceed, as of September 30, 2011, as appropriate, 80% (for residential mortgages), or 60% (for business mortgages) of the value of the property, in accordance with the provisions of the Decree No. 310 of the Ministry of Economy and Finance, dated December 14, 2006;
- (3) loans that were not granted under any law or regulation which provides third-party contributions or subsidies for capital or interest rate (cheap loans);
- (4) loans that were not granted to public entities, ecclesiastical entities, or state companies;
- (5) credits that are not consumer loans;

- (6) credits that are not agricultural loans in accordance with Articles 43, 44 and 45 of Legislative Decree N. 385 dated September 1, 1993;
- (7) loans that are secured by a mortgage on a real estate, compliant with applicable laws and regulations, and located on the territory of the Italian Republic;
- (8) loans secured by a first-grade mortgage, meaning: (i) a voluntary mortgage of first statutory degree, or (ii) a voluntary mortgage of a following statutory degree, in the event that (A) the mortgages of prior statutory degree have been totally cancelled, or (B) the bonds covered by mortgages of prior statutory degree have been fully satisfied, or (C) credits secured by mortgages of prior statutory degree, even if not fully satisfied, are claimed by CheBanca! against the relevant debtor whose debt positions of prior degree meet the above criteria, as well as those listed below.
- 9) loans for which the period of consolidation applied to the relevant mortgage is over, and the mortgage is not subject to appeal, under Article 67 of Royal Decree no. 267, March 16, 1942 and are concerned by Article 39, Paragraph 4, of Legislative Decree n. 385 date September 1, 1993;
- (10) loans that have been fully supplied and are not subject to further obligations or payments;
- (11) loans that, at the date of transfer, have no unpaid instalments for more than thirty days from the due date, and for which all previous repayments before the transfer date have been fully paid;
- (12) loans governed by the Italian law;
- (13) loans granted to individuals who, at the date of granting, were employed by CheBanca!;
- (14) loans denominated in Euros (or provided in different currencies and subsequently redenominated in Euros);



- (15) loans with at least one instalment due, and paid, even if only the interest portion;
- (16) mortgage loans signed with beneficiaries residing in Italy;
- (17) loans with last instalment due between September 5, 2013 (included) and August 10, 2016 (included);
- (18) loans with amount supplied between 15,493.69 Euro and 1,165,000.00 Euro;
- (19) loans with date of delivery between September 25, 1996 (included) and June 30, 2011 (included);
- (20) residential mortgage loans;
- (21) loans with repayment days on 1, 5, 10, 15, 20, 25 of each calendar month;
- (22) loans secured by mortgages on properties located in the following provinces:

Agrigento, Alessandria, Ancona, Aosta, Aquila, Arezzo, Ascoli Piceno, Asti, Avellino, Bari, Belluno, Benevento, Bergamo, Biella, Bologna, Bolzano, Brescia, Brindisi, Cagliari, Caltanissetta, Campobasso, Carbonia Iglesias, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Crotone, Cuneo, Enna, Ferrara, Firenze, Foggia, Forlì, Cesena, Frosinone, Genova, Grosseto, Imperia, Isernia, La Spezia, Latina, Lecce, Lecco, Livorno, Lodi, Lucca, Macerata, Mantova, Massa Carrara, Matera, Medio Campidano, Messina, Milano, Modena, Monza Brianza, Napoli, Novara, Nuoro, Olbia Tempio, Oristano, Padova, Palermo, Parma, Pavia, Perugia, Pesaro Urbino, Pescara, Piacenza, Pisa, Pistoia, Pordenone, Potenza, Prato, Ragusa, Ravenna, Reggio Calabria, Reggio Emilia, Rieti, Rimini, Roma, Rovigo, Salerno, Sassari, Savona, Siena, Siracusa, Sondrio, Taranto, Teramo, Terni, Torino, Trapani, Trento, Treviso, Trieste, Udine, Varese, Venezia, Verbano, Cusio, Ossola, Vercelli, Verona, Vibo Valentia, Vicenza, Viterbo.

- (23) loan agreements where the borrowers have never benefited from skipped payment of instalments, in accordance with applicable laws or regulations;
- (24) mortgage contracts with the following characteristics:
- Mortgages originally granted with a fixed interest rate;
  - Fluctuating rate mortgages with a maximum interest rate, as per contract;
  - Mortgages with a two-phase repayment plan, where the first phase includes instalments that cover the interest portion only;
  - Fluctuating rate mortgages where the interest portion is not calculated on the entire outstanding principal of the loan, but on an amount equal to the difference between the outstanding principal and the sum of the average balances of the borrower's current account;
- (25) mortgage contracts where the repayment plan does not include repayments with a frequency other than monthly;
- (26) mortgage contracts with remaining maturity of no less than twenty-four months;
- (27) mortgage contracts with no instalments due, and unpaid;
- (28) mortgage contracts that are not provided to counterparts working in construction or real estate companies;
- (29) mortgage contracts which are not secured by real estates that suffered a substantial decrease of property value.

The company has appointed CheBanca!, pursuant to Law 130/99, to collect the due amounts, on its behalf, as an entity in charge of collecting. Under the power of this commitment, borrowers will continue paying to CheBanca! all the amounts payable concerning the loans, in the manner required by the loan agreements, or pursuant to law and any additional

information that may be disclosed to the borrower by the company and/or by CheBanca!.

Credits included in the Initial Portfolio were transferred at their carrying value in the last Financial Statements approved by CheBanca!, net of repayments, on which auditors gave an independent opinion. Therefore, the purchasing amount for the initial portfolio was 1,700,226,955.71 Euro.

After the first purchase, the Company carried out further transactions with the same counterparty CheBanca! S.p.a., summarised in the following table showing the purchases ("Disposals" column) and sales ("Repurchases" column) made for portfolio maintenance purposes and/or to guarantee new issues.

Period of sale		Repurchase	Disposals
From	To		
01/10/2011	31/12/2011	-	-
01/01/2012	31/03/2012	5,060,778	-
01/04/2012	30/06/2012	12,519,520	-
01/07/2012	30/09/2012	-	-
01/10/2012	31/12/2012	14,581,911	179,698,400
01/01/2013	31/03/2013	18,915,488	-
01/04/2013	30/06/2013	11,522,544	106,081,794
01/07/2013	30/09/2013	-	-
01/10/2013	31/12/2013	21,842,673	-
01/01/2014	31/03/2014	-	-
01/04/2014	30/06/2014	20,476,989	1,212,026,665
01/07/2014	30/09/2014	-	-
01/10/2014	31/12/2014	25,395,280	236,708,625
01/01/2015	31/03/2015	-	-
01/04/2015	30/06/2015	19,004,808	241,646,517
01/07/2015	30/09/2015	-	-
01/10/2015	31/12/2015	15,670,442	583,991,992
01/01/2016	31/03/2016	-	115,433,472

01/04/2016	30/06/2016	63,608,621	185,782,535
01/07/2016	30/09/2016	-	-
01/10/2016	31/12/2016	20,004,382	255,462,343
01/01/2017	31/03/2017	-	-
01/04/2017	30/06/2017	18,396,546	287,609,778
01/07/2017	30/09/2017	-	-
01/10/2017	31/12/2017	34,111,148	1,524,361,938
01/01/2018	31/03/2018	-	353,474,123
01/04/2018	30/06/2018	46,251,267	992,206,223
01/07/2018	30/09/2018	-	-
01/10/2018	31/12/2018	32,237,795	405,239,752
01/01/2019	31/03/2019	16,779,349	234,569,491
01/04/2019	30/06/2019	20,381,239	195,910,634
<b>TOTAL</b>		<b>416,760,781</b>	<b>7,110,204,282</b>

With particular reference to the year ended June 30, 2019, there were three non-recourse purchases of successive portfolios of residential mortgage loans.

On December 1, 2018, the company made a non-recourse purchase of a subsequent portfolio of residential mortgage loans, for an amount of € 405,239,752 from CheBanca! S.p.a..

On March 1, 2019, the company made a non-recourse purchase of a subsequent portfolio of residential mortgage loans, for an amount of € 234,569,491 from CheBanca! S.p.a..

On June 1, 2019, the company made a non-recourse purchase of a subsequent portfolio of residential mortgage loans, for an amount of € 195,910,634 from CheBanca! S.p.a..

- **Originator**

**CheBanca! SpA**, a bank established and operating as sole shareholder limited company with registered office in Via Luigi Bodio, n. 37, 20158 - Milan, Italy, Tax Code, VAT and registration with the Registrar of Companies of Milan No. 10359360152, Economic Administration Register, No. 1366710, authorized capital 265,250,000,00 Euro, fully paid, registered

in the Registrar of Banks - held at the Bank of Italy pursuant to Article 13 of Legislative Decree dated September 1, 1993, No. 385 as subsequently amended and supplemented - under No. 74753,5,0; part of the Mediobanca Banking Group, managed and coordinated by parent company Mediobanca - Banca di Credito Finanziario S.p.A.

- **Assignment credits**

The sale of December 1, 2018 included the following conditions:

- (1) receivables for which the last fee is due on 15 May 2027 (inclusive) and 01 May 2048 (inclusive);
- (2) receivables in relation to which the amount disbursed includes Euro 49,288.41 and Euro 1,150,000.00;
- (3) loans for which the disbursement date is between 09 January 2017 (inclusive) and 27 April 2018 (inclusive);
- (4) receivables from residential mortgage contracts;
- (5) receivables for which payment by instalments is due on days 1, 5, 7, 10, 14, 15, 20, 21, 25 of each calendar month;
- (6) mortgage-backed loans on properties located in the following provinces: Alessandria, Ancona, Aosta, Arezzo, Ascoli Piceno, Asti, Avellino, Bari, Barletta-Andria-Trani, Belluno Benevento, Bergamo, Biella, Bologna, Bolzano, Brescia, Brindisi, Cagliari Caltanissetta, Campobasso, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Crotone, Cuneo, Enna, Fermo, Ferrara, Firenze, Foggia, Forli'-Cesena, Frosinone, Genova, Gorizia, Grosseto, Imperia, Isernia, La Spezia, L'Aquila, Latina, Lecce, Lecco, Livorno, Lodi, Lucca, Macerata, Mantova, Massa-Carrara, Matera, Messina, Milan, Modena, Monza E Brianza, Naples, Novara, Nuoro, Oristano, Padua, Palermo, Parma, Pavia, Perugia, Pesaro-Urbino, Pescara, Piacenza, Pisa, Pistoia, Potenza, Prato, Ragusa, Ravenna, Reggio Di Calabria, Reggio Nell'Emilia, Rieti, Rimini, Rome, Rovigo, Salerno, South Sardinia, Sassari, Savona, Siena, Syracuse,

Sondrio, Taranto, Teramo, Terni, Turin, Trapani, Trento, Treviso, Trieste, Udine, Varese, Venice, Verbania, Verona, Vibo Valentia, Vicenza, Viterbo.;

- (7) receivables from loan agreements in respect of which the relevant borrowers have not benefited from the suspension of instalment payments under applicable laws or regulations;
- (8) receivables relating to mortgage contracts whose repayment schedule does not provide for instalment payments with a frequency other than monthly payments;
- 9) receivables relating to loan agreements with a residual maturity of less than twenty-four months;
- (10) receivables relating to loan agreements in relation to which there are no instalments due and not paid 31 October 2018;
- (11) receivables relating to loans not disbursed to counterparties operating in the construction and real estate companies sector;
- (12) receivables relating to loan agreements that are not secured by real estate for which a significant decrease in the value of the property has been found;

The sale of March 1, 2019 included the following conditions:

- (1) receivables for which the last fee is due on 15 March 2028 (inclusive) and 01 July 2048 (inclusive);
- (2) receivables in relation to which the amount disbursed includes Euro 49,666.16 and Euro 1,000,000.00
- (3) receivables for which the disbursement date is between 09 January 2018 (inclusive) and 31 May 2018 (inclusive);
- (4) receivables arising from residential mortgage loan agreements;
- (5) receivables whose payment by instalments is due on days 1, 5, 7, 10, 14, 15, 20, 21, 25 of each calendar month;

- (6) receivables secured by mortgage on real estate located in the following provinces: Agrigento, Alessandria, Ancona, Aosta, Avellino, Bari, Barletta-Andria-Trani, Benevento, Bergamo, Biella, Bologna, Bolzano, Brescia, Brindisi, Cagliari, Caltanissetta, Campobasso, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Crotone, Cuneo, Enna, Ferrara, Florence, Foggia, Frosinone, Genoa, Grosseto, Imperia, Isernia, La Spezia, L'Aquila, Latina, Lecce, Lecco, Livorno, Lodi, Lucca, Macerata, Mantova, Massa-Carrara, Matera, Messina, Milan, Modena, Monza E Brianza, Naples, Novara, Nuoro, Oristano, Padua, Palermo, Parma, Pavia, Perugia, Pescara, Piacenza, Pisa, Pistoia, Pordenone, Potenza, Prato, Ragusa, Ravenna, Reggio Di Calabria, Reggio Nell'Emilia, Rieti, Rimini, Rome, Rovigo, Salerno, South Sardinia, Sassari, Savona, Siena, Syracuse, Taranto, Teramo, Terni, Turin, Trapani, Trento, Treviso, Trieste, Udine, Varese, Venice, Verbania, Vercelli, Verona, Vibo Valentia, Vicenza, Viterbo;
- (7) receivables relating to loan agreements in relation to which the relevant borrowers have not benefited from the suspension of payment of instalments on the basis of applicable legislative or regulatory measures;
- (8) receivables relating to loan agreements for which the repayment schedule does not provide for instalment payments with a periodicity other than monthly;
- (9) receivables from loan agreements with a residual maturity of less than twenty-four months;
- (10) receivables relating to loan agreements for which there are no instalments due and not paid on 31 January 2019;
- (11) receivables relating to loans not disbursed to counterparties operating in the construction and real estate companies sector;
- (12) receivables relating to loan agreements that are not secured by real estate for which a significant decrease in the value of the property has been found;

The sale of June 1, 2019 included the following conditions:

- (1) Receivables for which the last fee is due on 01 June 2028 (inclusive) and 15 August 2048 (inclusive);
- (2) receivables in relation to which the amount disbursed includes Euro 50,000.00 and Euro 1,000,000.00
- (3) Receivables for which the disbursement date is between 08 March 2018 (inclusive) and 23 July 2018 (inclusive);
- (4) credits arising from residential mortgage loan agreements;
- (5) receivables for which payment by instalments is due on days 1, 5.7, 10.14, 15, 20, 21, 25 of each calendar month;
- (6) receivables secured by mortgage on real estate located in the following provinces: Agrigento, Alessandria, Ancona, Aosta, Avellino, Bari, Barletta-Andria-Trani, Belluno, Benevento, Bergamo, Bologna, Bolzano, Brescia, Brindisi, Cagliari, Caltanissetta, Campobasso, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Crotone, Cuneo, Fermo, Ferrara, Firenze, Foggia, Forlì-Cesena, Frosinone, Genova, Grosseto, Imperia, Isernia, La Spezia, L'Aquila, Latina, Lecce, Lecco, Livorno, Lodi, Lucca, Macerata, Mantova, Massa-Carrara, Matera, Messina, Milan, Modena, Monza E Brianza, Naples, Novara, Nuoro, Oristano, Padua, Palermo, Parma, Pavia, Perugia, Pesaro-Urbino, Pescara, Piacenza, Pisa, Pistoia, Pordenone, Prato, Ragusa, Ravenna, Reggio Di Calabria, Reggio Nell'Emilia, Rieti, Rimini, Rome, Rovigo, Salerno, South Sardinia, Sassari, Savona, Siena, Syracuse, Taranto, Teramo, Terni, Turin, Trapani, Trento, Treviso, Trieste, Udine, Varese, Venice, Verbania, Vercelli, Verona, Vicenza, Viterbo;
- (7) receivables relating to loan agreements in relation to which the relevant borrowers have not benefited from the suspension of payment of instalments on the basis of applicable legislative or regulatory measures;



- (8) receivables relating to loan agreements for which the repayment schedule does not provide for instalment payments with a frequency other than monthly;
- (9) receivables from loan agreements with a residual maturity of less than twenty-four months;
- (10) receivables relating to loan agreements for which there are no instalments due and not paid 30 April 2019;
- (11) receivables relating to loans not disbursed to counterparties operating in the construction and real estate companies sector;
- (12) receivables relating to loan agreements that are not secured by real estate for which a significant decrease in the value of the property has been found;

***Involved subjects identity***

**Issuer, Investment Manager, Cover Pool Swap Counterparty and Covered Bond Swap Counterparty**

Mediobanca – Banca di Credito Finanziario S.p.A. registered in Piazzetta Enrico Cuccia n. 1 – Milan – Italy

**Account Bank , Paying Agent and Interest Determination Agent**

BNP Paribas Securities Services, Milan Branch, registered in Via Ansperto n. 5 – Milan – Italy

**Representative of the Bondholders**

KPMG Fides Servizi di Amministrazione S.p.A. registered in Via Vittor Pisani n. 27 – Milan – Italy

**Originator, Servicer, Cash Manager, Test Report Provider and Calculation Agent**

CheBanca! S.p.A. registered in Viale Luigi Bodio n. 37 – Milan - Italy

**Corporate Services Provider**

Studio Dattilo Commercialisti Associati, registered in Galleria del Corso n. 2 – Milan – Italy

**Asset Monitor**

BDO Italia S.p.A. registered in Viale Abruzzi,94 20131 Milan.

***Supplementary financial operations*****Interest Rate Swap**

Mediobanca Covered Bond Srl (Party A) and Mediobanca - Banca di Credito Finance S.p.A (Party B) signed on December 12, 2011 - amended after the new emission of Mediobanca bonds guaranteed by the SPV - four Interest Rate Swap agreements to hedge the interest rate risk on the Portfolio of assets as collateral for securities issued (Cover Pool Swaps), and four agreements to hedge the interest and exchange risk on securities issued by Mediobanca (Covered Bond Swap).

**Subordinated loan**

On November 30, 2011 CheBanca! S.p.a. granted to Mediobanca Covered Bond S.r.l. a subordinated loan, amended on October 17, 2013 and again on October 26, 2015.

To date the subordinated loan is divided as follows:

**Tranche A:** an initial amount of € 750,000,000 for funding the payment made by Mediobanca Covered Bond to CheBanca! concerning the purchase of credits necessary for the issue of the Second Series of Covered Bonds.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca during the Second Emission are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;
- **Interest rate:** 3,625% per annum;
- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);
- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

**Tranche B:** an initial amount of € 950,226,956 dedicated only to:

- (a) the purchase (i) of other credits that are part of the Initial Portfolio and/or (ii) additional credits and/or the formation of deposits necessary to assure the compliance, since the first issue date and continuously for the duration of the program, of the tests, and/or (iii) of credits to be added under Clause 11 of the Transfer Agreement and/or;
- (b) allowing the deposit of the *Retention Amount* on bank accounts.

Below are the main contractual terms and economic conditions of funding:

**Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

**Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca

Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

**Interest rate:** Euribor for three months increased by 10 *basis points*;

**Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);

**Depreciation schedule:** on each date of payment of interest on Covered Bonds, load interests will be paid in arrears.

On June 17, 2014 CheBanca! S.p.a. granted to Mediobanca Covered Bond S.r.l. a new loan, divided as follows:

**Tranche A:** an initial amount of € 750,000,000 for funding the payment made by Mediobanca Covered Bond to CheBanca! concerning the purchase of credits necessary for the issue of of the Third Series of Covered Bonds.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca during the New Emission are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

- **Interest rate:** 1,125% per annum;

- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);

- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

**Tranche B:** an initial amount of € 462,026,665, dedicated exclusively to the following:

(a) the purchase (i) of other credits that are part of the Initial Portfolio and/or (ii) additional credits and/or the formation of deposits necessary to assure the compliance, since the first issue date and continuously for the duration of the program, of the tests, and/or (iii) of credits to be added under Clause 11 of the Transfer Agreement.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

- **Interest rate:** Euribor for three months increased by 10 *basis points*;

- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);

- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

On October 26, 2015 was signed an amendment, which resulted in the following changes:

- Tranche B, equal to the amendment's date to € 950,276,955.71, is divided into two parts i) the first, equal to € 450,276,955.71, will continue to play the originally intended function for tranche B;
- ii) the second, amounting to € 500 million was taken to increase the tranche A. All other provisions unchanged by amendment continue to be valid.

On December 9, 2015 CheBanca! S.p.a. granted to Mediobanca Covered Bond S.r.l. a new loan, divided as follows:

**Tranche A:** an initial amount of € 250,000,000 for funding the payment made by Mediobanca Covered Bond to CheBanca! concerning the purchase of credits necessary for the issue of the Fourth Series of Covered Bonds.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca during the New Emission are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

- **Interest rate:** 1,375% per annum;

- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);

- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

**Tranche B:** an initial amount of € 102,718,314.68, dedicated exclusively to the following:

the purchase (i) of other credits that are part of the Initial Portfolio and/or (ii) additional credits and/or the formation of deposits necessary to assure the compliance, since the first issue date and continuously for the duration of the program, of the tests, and/or (iii) of credits to be added under Clause 11 of the Transfer Agreement.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;
- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;
- **Interest rate:** Euribor for three months increased by 10 *basis points*;
- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);
- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

On October 10, 2017 CheBanca! S.p.a. granted to Mediobanca Covered Bond S.r.l. a new loan for an amount of € 1,263,324,752.94 , divided as follows:

**Tranche A:** an amount equal to the total nominal value of the new series of covered bonds issued under the programme, equal to € 750,000,000.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;

- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

- **Interest rate:** 1,275%;

- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);

- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

**Tranche B:** equal to the arithmetic difference between the total commitment and the commitment in tranche A, equal to € 513,324,753, dedicated exclusively to the following:

(a) the purchase (i) of other credits that are part of the Initial Portfolio and/or (ii) additional credits and/or the formation of deposits necessary to assure the compliance, since the first issue date and continuously for the duration of the program, of the tests, and/or (iii) of credits to be added under Clause 11 of the Transfer Agreement.

Below are the main contractual terms and economic conditions of funding:



- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;
- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;
- **Interest rate:** Euribor for three months increased by 10 *basis points*;
- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);
- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

On June 13, 2018 CheBanca! S.p.a. granted to Mediobanca Covered Bond S.r.l. a new loan for an amount of € 821,990,168, divided as follows:

**Tranche A:** an amount equal to the total nominal value of the new series of covered bonds issued under the programme, equal to € 750,000,000.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;
- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the

expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;

- **Interest rate:** 1,125%;
- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);
- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

**Tranche B:** equal to the arithmetic difference between the total commitment and the commitment in tranche A, equal to € 71,990,168, dedicated exclusively to the following:

(a) the purchase (i) of other credits that are part of the Initial Portfolio and/or (ii) additional credits and/or the formation of deposits necessary to assure the compliance, since the first issue date and continuously for the duration of the program, of the tests, and/or (iii) of credits to be added under Clause 11 of the Transfer Agreement.

Below are the main contractual terms and economic conditions of funding:

- **Type:** the claims to repayment of credit, concerning principal and interest, of CheBanca!, are subordinated to the those of holders of Covered Bonds, issued and future, under the Program;
- **Maturity:** the first date between (i) the date on which all the Covered Bonds issued by Mediobanca under the Program are fully and unconditionally refunded; or, if Mediobanca Covered Bond, on this date, has no sufficient liquidity to refund the amounts of Tranche A, the other date agreed with CheBanca! which shall in any case be within the expiration date of the program, and (ii) the date on which Mediobanca Covered Bond must repay all amounts due under the loan agreement as a result of an event of termination and forfeiture;
- **Interest rate:** Euribor for three months increased by 10 *basis points*;

- **Interests on arrears:** 1% per annum will be calculated on amounts due and unpaid, from the agreed payment day (included) to the day the actual payment is made (not included);
- **Depreciation schedule:** on each date of payment of interest on Covered Bonds, interests on financing will be paid in arrears.

#### *Assignee company operation power*

Mediobanca Covered Bonds (as assignee) has limited powers as defined in the Bylaws. In particular, the Bylaws states that "the company's sole purpose is the purchase from banks - within one or more transactions or programs of issuing Covered bonds pursuant to Article 7-bis of Law 130/99 and any subsequent amendments and supplements and related implementing provisions - of land and mortgage loans, credits to public entities or guaranteed by them, including in bulk, as well as securities issued under securitization transactions involving loans of the same nature, realised by taking on loans granted or guaranteed also by assignor banks, and the provision of collateral for bonds issued by the same banks, or by other banks, pursuant to Article 7-bis of Law 130/99 and subsequent implementing measures, including regulatory, issued by the competent authorities.

In accordance with Article 7-bis of Law no. 130/99 and its implementing measures, including regulatory, issued by the competent authorities, loans and securities purchased by the Company, and the amounts paid by debtors under each transaction or issuing program, constitute a separate equity, which is not part of the Company's equity nor of those relating to other transactions or issuing programs. On each separate equity, no interference is allowed to parties different from those mentioned in Paragraph 2, Article 7-bis of Law 130/99.

To the extent permitted by the Law 130/99 and its implementing measures, including regulatory, issued by the competent authorities, the Company may perform financial transactions aimed at the successful completion of Covered bond issuing programs, or anyway useful or necessary for the achievement of its mission.

The Company may also employ third parties to collect the purchased credits and to supply payment and cash services, and can manage the purchased assets in accordance with Law no. 130/99 and its implementing measures, including regulatory, issued by the competent authorities.

The Company may participate in more than one transaction pursuant to Article 7-bis of Law 130/99, provided that the third parties who, pursuant to Article 2, paragraph 4 of Law 130/99, have assessed the creditworthiness of similar transactions in which the company has previously participated as an assignee and guarantor of eligible assets, declare in writing that the participation of the Company in new transactions will not affect adversely the assessment made by these operators concerning the creditworthiness of previously started transactions.”

**QUANTITATIVE INFORMATION***Flow data relating to Receivables*

This part contains information about the initial situation of the securitized assets at the time of sale, and about the total increases and decreases during the period.

	<b>30.06.2019</b>	<b>30.06.2018</b>
<b>Initial balance</b>	<b>5,219,140,213</b>	<b>3,077,685,888</b>
<b>Increments</b>	942,863,228	2,957,189,742
• Purchased from revolving transactions	-	-
• Matured interests	108,164,495	85,585,613
• Other increments	834,698,733	2,871,604,129
<b>Decrements</b>	(912,640,422)	(815,735,418)
• Collected receivables	(843,462,613)	(735,062,030)
• Repurchased receivables	(69,177,810)	(80,673,388)
• Loss on receivables	-	-
<b>Final balance</b>	<b>5,249,363,018</b>	<b>5,219,140,213</b>

*Evolution of due receivables*

No due receivables are registered in the portfolio for the period and for the previous year.

*Cash flows*

**Collection Account** current account n. 70201377 in Mediobanca S.p.A., for the deposit of all amounts collected and recovered deriving from assigned credits generated by CheBanca! as Servicer.

<b>Collection Account</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
<b>Initial balance</b>	€ <b>3,855,466</b>	€ <b>3,085,072</b>
Increments	€ 854,227,539	€ 758,243,829
Decrements	€ (854,903,752)	€ (757,473,435)
<b>Final balance</b>	€ <b>3,179,253</b>	€ <b>3,855,466</b>

The following table contains fluctuations during the period closed on June 30, 2019:

	30.06.2019	30.06.2018
<b>Collections for year</b>	<b>854,227,539</b>	<b>758,243,829</b>
- from credits	854,227,539	758,243,829
- from securities emission	-	-
- from guarantees	-	-
- from liquidity lines	-	-
- from deriving contracts	-	-
- other collections	-	-
<b>Payments for year</b>	<b>(854,903,752)</b>	<b>(757,473,435)</b>
- to holders of securities	-	-
- to Originator	-	-
- for guarantees	-	-
- for liquidity lines	-	-
- for deriving contracts	-	-
- other payments	(854,903,752)	(757,473,435)
<b>Net revenue/expenses</b>	<b>(676,213)</b>	<b>770,393</b>
Liquidity – beginning of period	3,855,466	3,085,072
Liquidity – end of period	3,179,253	3,855,466
<b>Net liquidity fluctuation</b>	<b>(676,213)</b>	<b>770,393</b>

**Transaction Account** a current account n. 70201378 in Mediobanca S.p.A., that will be used for paying the amounts due according to the Priority Order described in the Operating Circular.

<b>Transaction Account</b>	30.06.2019	30.06.2018
<b>Initial balance</b>	€ 242,319,174	€ 420,090,640

Increments	€ 1,019,743,663	€ 989,751,193
Decrements	€ (1,035,848,430)	€ (1,167,522,660)
<b>Final balance</b>	<b>€ 226,214,407</b>	<b>€ 242,319,174</b>

The following table contains fluctuations during the period closed on June 30, 2019:

	<b>30.06.2019</b>	<b>30.06.2018</b>
<b>Collections for year</b>	<b>1,019,743,663</b>	<b>989,751,193</b>
- from credits		
- from securities emission		
- from guarantees		
- from liquidity lines		
- from deriving contracts	170,206,033	129,671,382
- other collections	849,537,630	860,079,812
<b>Payments for year</b>	<b>1,035,848,430</b>	<b>(1,167,522,660)</b>
- to holders of securities		
- to Originator		
- for guarantees		
- for liquidity lines	(56,080,729)	(59,361,125)
- for deriving contracts	(126,186,086)	(103,053,735)
- other payments	(853,581,616)	(1,005,107,799)
<b>Net revenue/expenses</b>	<b>(16,104,767)</b>	<b>(177,771,467)</b>
Liquidity – beginning of period	242,319,174	420,090,640
Liquidity – end of period	226,214,407	242,319,174
<b>Net liquidity fluctuation</b>	<b>(16,104,767)</b>	<b>(177,771,467)</b>

**Expenses Account** current account n. 70201380 in Mediobanca S.p.A, for paying the quarterly expenses..

<b>Expenses Account</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
<b>Initial balance</b>	<b>€ 12,271</b>	<b>€ 17,227</b>

Increments	€ 7,865,354	€ 5,672,727
Decrements	€ (7,854,812)	€ (5,677,684)
<b>Final balance</b>	<b>€ 22,813</b>	<b>€ 12,271</b>

The following table contains fluctuations during the period closed on June 30, 2019:

	30.06.2019	30.06.2018
<b>Collections for year</b>	<b>7,865,354</b>	<b>5,672,727</b>
- from credits		
- from securities emission		
- from guarantees		
- from liquidity lines		
- from deriving contracts		
- other collections	7,865,354	5,672,727
<b>Payments for year</b>	<b>(7,854,812)</b>	<b>(5,677,684)</b>
- to holders of securities	-	
- to Originator	-	
- for guarantees	-	
- for liquidity lines	-	
- for deriving contracts	-	
- other payments	(7,854,812)	(5,677,684)
<b>Net revenue/expenses</b>	<b>10,542</b>	<b>(4,956)</b>
Liquidity – beginning of period	12,271	17,227
Liquidity – end of period	22,813	12,271
<b>Net liquidity fluctuation</b>	<b>10,542</b>	<b>(4,956)</b>

**Reserve Account** current account n. 70201383 in Mediobanca S.p.A., for the deposit of the *Reserve Required Amount*.

<b>Reserve Account</b>	30.06.2019	30.06.2018
<b>Initial balance</b>	<b>€ 57,062,500</b>	<b>€ 47,437,500</b>



Increments	€ 8,937,500	€ 9,625,000
Decrements	€	€
<b>Final balance</b>	<b>€ 66,000,000</b>	<b>€ 57,062,500</b>

The following table contains fluctuations during the period closed on June 30, 2019:

	30.06.2019	30.06.2018
<b>Collections for year</b>	<b>8,937,500</b>	<b>9,625,000</b>
- from credits		
- from securities emission		
- from guarantees		
- from liquidity lines		
- from deriving contracts		
- other collections	8,937,500	9,625,000
<b>Payments for year</b>		
- to holders of securities		
- to Originator		
- for guarantees		
- for liquidity lines		
- for deriving contracts		
- other payments		
<b>Net revenue/expenses</b>	<b>8,937,500</b>	<b>9,625,000</b>
Liquidity – beginning of period	57,062,500	47,437,500
Liquidity – end of period	66,000,000	57,062,500
<b>Net liquidity fluctuation</b>	<b>8,937,500</b>	<b>9,625,000</b>

### *Guarantees and liquidity lines*

About third party guarantees and liquidity lines, no temporary financing was requested during the year.

***Residual maturity distribution***

	<b>Securitized assets</b>		
	<b>30.06.2019</b>	<b>30.06.2019</b>	<b>30.06.2019</b>
<b>Residual maturity</b>	<b>Credits</b>	<b>Securities</b>	<b>Other receivables</b>
- up to 3 months	98,624,756	-	-
- from 3 months to 1 year	290,003,486	-	-
- from 1 to 5 years	1,118,312,300	-	-
- over 5 years	3,818,261,091	-	-
<b>Total</b>	<b>5,325,201,633</b>	-	-

	<b>Payables</b>		
	<b>30.06.2019</b>	<b>30.06.2019</b>	<b>30.06.2019</b>
<b>Residual maturity</b>	<b>Securities</b>	<b>Financing</b>	<b>Other payables</b>
- up to 3 months	-	- 190,827,687	-
- from 3 months to 1 year	-	-	-
- from 1 to 5 years	-	- 1,212,026,665	-
- over 5 years	-	- 4,145,117,100	-
<b>Total</b>	-	<b>- 5,547,971,452</b>	-

Items in summary tables include interest expense and income that the company expects to pay and collect over the next 12 months. This evaluation will determine the difference of values compared to items below the line.

***Geographical distribution*****A. Securitized assets**

<b>Geographical distribution</b>	<b>30.06.2019</b>
----------------------------------	-------------------

<b>Credits:</b>	-
- North-West	1,547,277,964,72
- North-East	344,262,904,57
- Centre	1,591,161,992,98
- South and Islands	1,766,586,284,58
- Abroad	73,872
<b>Total</b>	<b>5,249,363,019</b>

### *Risk concentration*

#### **A. Securitized assets**

	30.06.2019	30.06.2019
<b>Risk concentration</b>	<b>Number of positions</b>	<b>Amount</b>
<b>Credits:</b>		
- from 0 to 25,000 euro	4,077	58,403,401
- from 25,000 to 75,000 euro	18,739	992,332,015
- from 75,000 to 250,000 euro	31,094	3,819,564,491
- over 250,000 euro	1,130	379,063,112
<b>Total</b>	<b>55,040</b>	<b>5,249,363,019</b>

***Part 2 - SECURITISATIONS, INFORMATION ON STRUCTURED UNCONSOLIDATED ENTITIES (DIFFERENT FROM SPV) AND ASSIGNMENT***

***This part is not applicable because the company is not an intermediary originator of securitization transactions.***

***Part 3 – Information on risks and hedging policies***

**3.1 Credit risk**

With reference to corporate equity, the Company has mainly receivables from the segregated assets, due to the payment of operation costs. Given the expected collections from segregated assets receivables, and the priority of using those collections to pay the above mentioned receivables, it is not considered that there are risks on their collection.

**3.2 Market risk**

The Company has no financial assets and liabilities that expose it to a significant price or interest rate risk. In addition, the Company only operates within the Country and is not therefore exposed to currency risks. The Company, as a result of the principle of Separate securitized equity, Law 130/1999, does not run any credit or market risk on securitized assets.

**3.3 Operation risks**

Regarding operation risk, please note that the Company has no employees and has delegated its management and related operation risk to the subjects put in charge by force of contracts.

**3.4 Liquidity Risk**

It is not considered that there are any significant liquidity risks.

***Part 4 – Information on equity***

**4.1 The corporate equity**

**4.1.1 Qualitative information**

In accordance with Article 3 of Law 130/1999, the Company is founded as a Limited liability company, with authorized capital of 100,000 Euros. Considering the unique corporate purpose of the Company, it aims at preserving its equity over time, and at covering its operation expenses by using the separate equity.

**4.1.2 Quantitative information****4.1.2.1 Structure of the Equity**

<b>Items</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
1. Capital	€ 100,000	€ 100,000
2. Share premium	-	-
3. Reserves		
- from profit		
a) legal reserve		
b) statutory reserve		
c) own quotas		
d) other	-24,144	-24,144
- other		
4. Own quotas		
5. Evaluation reserves		
- Financial assets available for sale		
- Tangible assets		
- Intangible assets		
- Foreign investment hedging		
- Financial flow hedging		
- Exchange rate fluctuation.		
- Non-current assets and groups held for sale.		
- Special revaluation laws		
- Actuarial gains/losses relating to defined benefit pension plans.		
- A quota of revaluation reserves relating to investments valued at equity.		
6. Equity instruments		
7. Profit for year		
<b>Total</b>	<b>€ 75,856</b>	<b>€ 75,856</b>

## **4.2 Equity and supervision quotient**

Given the corporate purpose of the Company, and the contents of Part 4.1, this item is considered not applicable.

### ***Part 5 – Total profitability analysis***

As reported in the statement of comprehensive income, the profit/loss of the company coincides with its total profitability.

### ***Part 6 - Transactions with related parties***

#### ***6.1 Information on compensation for Directors with strategic responsibilities***

No compensation is paid to Directors.

The company has no working Directors.

#### ***6.2 Credits and guarantees to Directors and Statutory Auditors***

No credits or guarantees were given to Directors or Statutory Auditors.

#### ***6.3 Related transactions***

The relationships between parties, governed by market conditions, are part of routine activity. No unusual or atypical transactions are being held, outside the regular company management.

### ***Part 7 – Other information***

#### **Independent auditor's remuneration**

The independent auditor's remuneration for the Financial Statements closed on June 30, 2019 adds up to € 29,524.

**Management and coordination activities**

As of June 30, 2019 the company has no affiliates or subsidiaries.

The Company is an indirect subsidiary of Mediobanca S.p.A., through Che Banca! S.p.A., which holds a 90% quota of the authorized capital.

The company is managed and coordinated by Mediobanca S.p.A., registered office in Milan, n. 1, Piazzetta Enrico Cuccia, under Article 2497 and the succeeding, of the Italian Civil Code, of which are reported below the main Financial Statement entries of Mediobanca, as of June 30, 2018 (amounts in Euro).

The highlights of the Parent company Mediobanca SpA shown in the chart required by Article 2497-bis of the Italian Civil Code have been extracted from the financial statements for the year ended on 30 June 2018. For a complete understanding of the financial position of Mediobanca SpA as of 30 June 2018, and profit or loss reported by the company during the year ended on that date, please refer to the financial statements which, together with the Independent Auditor's report, is available in the form and manner required by law.

<b>BALANCE SHEET – ASSETS</b>	<b>30-06-2018</b>
10. Cash and liquidity	1,173,154,677
20. held for trading financial assets	8,211,913,655
40. Available for sale financial assets	5,166,351,679
50. Held to Maturity financial assets	2,595,142,322
60. Bank receivables	19,553,430,989
70. Customer receivables	18,725,997,984
80. Hedging derivatives	235,591,092
100. Equity holdings	3,084,158,386
110. Tangible assets	116,806,552
120. Intangible assets	38,629,954

<i>Goodwill</i>	12,514,145
130. Tax assets	236,344,661
<i>a) current</i>	133,984,760
<i>b) paid in advance</i>	102,349,901
<i>of which L. 214/2011</i>	50,322,879
150. Other assets	96,899,605
<b>Total assets</b>	<b>59,234,411,556</b>

<b>Balance sheet – LIABILITIES</b>	<b>30-06-2018</b>
10. Payables to banks	25,519,218,956
20. Payables to customers	4,124,182,895
30. Outstanding securities	16,827,008,980
40. Held for trading financial liabilities	6,510,480,039
60. Hedging derivatives	220,712,763
80. Tax liabilities	363,933,424
<i>a) current</i>	105,752,737
<i>b) deferred</i>	258,180,687
100. Other liabilities	277,857,220
110. Employee benefit liability (Severance pay)	7,723,450
120. Provisions	97,786,044
<i>a) retirement and similar funds</i>	-
<i>b) other funds</i>	97,786,044
130. Evaluation reserve	129,954,143
160. Other Reserve	2,292,839,423
170. Share premium	2,191,742,930



180. Capital	443,275,220
190. Own quotas	(109,337,765)
200. Profit (Loss) for year	337,033,834
<b>Total liabilities</b>	<b>59,234,411,556</b>

<b>INCOME STATEMENT</b>	<b>30-06-2018</b>
10. Interest income and similar revenues	762,701,644
20. Interest expense and similar expenses	(667,617,589)
<b>30. Net interest income</b>	<b>95,084,055</b>
40. Commission income	284,692,778
50. Commission expense	(26,134,905)
<b>60. Net commission income</b>	<b>258,557,873</b>
70. Dividends and similar revenues	261,588,554
80. Net gain from trading	37,058,760
90. Net loss (gain) from hedging activities	822,028
100. Profit (Loss) from purchase / sale of:	112,753,049
<i>a) Receivables</i>	1,584,206
<i>b) Available for sale financial assets</i>	119,795,869
<i>c) Held to Maturity financial assets</i>	(919,453)
<i>d) Financial liabilities</i>	(7,707,573))
<b>120. Brokerage margin</b>	<b>765,864,319</b>
130. Impairment/reversal of impairment on:	46,831,412
<i>a) Receivables</i>	34,387,805
<i>b) Available for sales financial assets</i>	(1,848,277)
<i>c) Held to Maturity financial assets</i>	2,970,784

<i>d) Other financial transactions</i>	11,321,100
<b>140. Net result from financial management</b>	<b>812,695,731</b>
150. Management costs	(430,233,782)
<i>a) Cost of labour</i>	<i>(237,826,064)</i>
<i>b) Other operating costs</i>	<i>(192,407,717)</i>
160. Net provisions	995,023
170. Net adjustments on tangible assets	(3,504,538)
180. Net adjustment on intangible assets	(8,344,677)
190. Other operating revenues/expenses	12,735,088
<b>200. Operation costs</b>	<b>(428,352,886)</b>
210. Profit (Loss) from equity holdings	(309,031)
240. Profit (Loss) from sales of equity investments	20
<b>250. Profit (Loss) before tax</b>	<b>384,033,834</b>
260. income tax expense	(47,000,000)
270. Profit(loss) for the year from continuing operations	337,033,834
<b>290. Profit (Loss) for year</b>	<b>337,033,834</b>

Milan, July 17, 2019

MEDIOBANCA COVERED BOND S.R.L.

The Chairman of the Board of Directors

Dott. Stefano Radice