

AMENDMENT TO THE SERVICING AGREEMENT – Q & A

On May, 25th 2020 the Servicing Agreement for Fanes S.r.l. – Serie 2018 was amended due to the Covid19 pandemic. The relevant agreement is published in Italian on our website under section called “Modifica Servicing Agreement”.

Please find below some Q&A covering the most important topics of the document.

Q: Where can the Amended Servicing Agreement be found?

A: The Amended Servicing Agreement is available to all investors on the following link <https://www.sparkasse.it/investor-relations/cartolarizzazioni/>

Q: Are there any new provisions regarding the limit of 5% of the outstanding balance of the collateral portfolio related to “Ex-Lege Covid Suspensions”?

A: No. As laid down in the original Servicing Agreement, the “Ex-Lege Covid Suspension” will not be subject to the limit of 5% of the outstanding balance of the collateral portfolio, due to its legal compulsory nature.

Q: Are any additional “Covid Suspensions” subject to the limit of 5% of the outstanding balance of the collateral portfolio?

A: Any other “Covid Suspension” granted in the period between March, 9th 2020 and December 31st 2020 (not granted Ex-Lege but in accordance with new internal policies implemented by the Bank following the agreement with some local associations) will not be subject to the limit of 5% of the outstanding balance of the collateral portfolio, since they will be treated as described below.

Q: How will the Originator handle these suspensions?

A: The Originator on a quarterly basis will step in and top up the installments due to payment holidays offered to borrowers to make sure that the amortization schedule continues as planned at issuance. The payments carried out by the Originator will be reimbursed once the senior notes are fully repaid.

Q: When will this mechanism be in force?

A: The mechanism described above is in force starting from the current collection period (01/03/2020-31/05/2020).

Q: Will the Originator buy back loans subject to “Covid Suspensions” from the securitization pool or will they remain separate in the pool and recorded in the investor report?

A: The suspended loans will remain in the pool with the same status they had prior to the moratoria (as long as they pay any amount due according to the payment holiday granted i.e. interest instalments). The Servicer will provide a summary of the amounts suspended and that it had to contribute to make up any shortfall in payments and all details will be included in the next investor report.