PROSPECTUS

2012 POPOLARE BARI SME S.R.L.
(incorporated with limited liability under the laws of the Republic of Italy)

Euro 497,000,000 Class A1 Asset Backed Floating Rate Notes due October 2054
Issue Price: **100%**
Euro 120,000,000 Class A2 Asset Backed Floating Rate Notes due October 2054
Issue Price: **100%**
Euro 198,087,000 Class B1 Asset Backed Floating Rate Notes due October 2054
Issue Price: **100%**
Euro 47,790,000 Class B2 Asset Backed Floating Rate Notes due October 2054
Issue Price: **100%**

*This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by 2012 Popolare Bari SME S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of the Euro 497,000,000 Class A1 Asset Backed Floating Rate Notes due October 2054 (the "**Class A1 Notes**") and Euro 120,000,000 Class A2 Asset Backed Floating Rate Notes due October 2054 (the "**Class A2 Notes**", and together with the Class A1 Notes, the "**Class A Notes**" or the "**Rated Notes**"). In connection with the issuance of the Rated Notes, the Issuer will issue two series of junior notes as follows: Euro 198,087,000 Class B1 Asset Backed Floating Rate Notes due October 2054 (the "**Class B1 Notes**") and Euro 47,790,000 Class B2 Asset Backed Floating Rate Notes due October 2054 (the "**Class B2 Notes**" and together with the Class B1 Notes, the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**"). The Class B Notes are not being offered pursuant to this Prospectus.*

*This document is issued pursuant to article 2, paragraph 3, of Italian Law No. 130 of 30 April 1999 (the "**Law 130**" or also the "**Securitisation Law**") in connection with the issuance of the Notes. This Offering Circular is a prospectus with regard to Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**") including any implementing measure in Ireland.*

*The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Rated Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. No application has been made to list the Class B Notes on any stock exchange.*

*The net proceeds of the offering of the Notes will be mainly applied by the Issuer to fund the purchase of two portfolios of monetary claims (the "**Portfolios**" and the "**Claims**", respectively) arising under mortgage loans and unsecured loans owned by Banca Popolare di Bari S.c.p.A. ("**Banca Popolare di Bari**") and Cassa di Risparmio di Orvieto S.p.A ("**Cassa di Risparmio di Orvieto**" and together with Banca Popolare di Bari, the "**Originators**"). The Portfolios have been purchased by the Issuer under the terms of two transfer agreements between the Issuer and each Originator pursuant to Law 130 executed on 26 October 2012 (each a "**Transfer Agreement**" and collectively the "**Transfer Agreements**"). The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made from or in respect of the Portfolios.*

Calculations as to the expected average life of the Rated Notes can be made based on certain assumptions as set out in the section "Weighted Average Life of the Rated Notes", including, but not limited to, the level of the prepayment of the Claims. However, there is no certainty either that the assumptions made will materialize or that the Rated Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Rated Notes could be reduced as a result of losses incurred in respect of the Portfolios.

If the Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus.

If any amounts remain outstanding in respect of the Notes upon expiry of the Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled. The amount and timing of repayment of principal under the Claims will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Portfolios.

*The Notes will be subject to mandatory redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Notes will be redeemed on the Payment Date falling on October 2054 (the "**Final Maturity Date**"). The Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Final Maturity Date, the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.2 (Redemption for Taxation) and Condition 6.4 (Optional Redemption).*

*Interest on the Notes will accrue from 14 December 2012 (the "**Issue Date**") and will be payable on 30 April 2013 (the "**First Payment Date**") and thereafter quarterly in arrears on the last calendar day of July, October, January and April in each year or if any such day is not a day on which banks are open for business in London, Milan and Dublin and on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open (a "**Business Day**") the following Business Day (each a "**Payment Date**"). The Notes will bear interest from (and including) a Payment Date to (but excluding) the next following Payment Date (each an "**Interest Period**") provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date. The Notes of each Class shall bear interest at an annual rate equal to the Euro-Zone Inter-bank offered rate for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-bank offered rate ("**Euribor**") for 4 and 5 deposits in Euro) plus a margin of (i) 0.3% per annum for the Class A1 Notes, (ii) 0.3% per annum for the Class A2 Notes, (iii) 3.0% per annum for the Class B1 Notes, (iv) 3.0% per annum for the Class B2 Notes.*

All payments of principal and interest on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 of 23 November 2001 and as subsequently amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other Person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence.

*The Notes will be held in dematerialised form on behalf of the beneficial owners as of the Issue Date until redemption or cancellation thereof by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders (as defined below). The expression "Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S.A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Monte Titoli shall act as depository for Clearstream and Euroclear. The Notes will at all times be evidenced by book-entries in accordance with the provisions of Article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and with Regulation jointly issued by Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy on 22 February 2008, as amended from time to time.*

*The Class A Notes are expected, on issue, to be rated A+sf by Fitch Rating Ltd.("**Fitch**") and A (high) (sf) by DBRS Ratings Limited ("**DBRS**" and together with Fitch, the "**Rating Agencies**"). As of the date of this Prospectus, each of Fitch and DBRS is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus). No rating will be assigned to the Class B Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.*

*The Class A Notes and the Class B Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Class A Notes and the Class B Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as*

*defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "**Subscription and Sale**". The Originators will subscribe the Class A Notes and the Class B Notes. It is the intention of the Originators to initially use the Class A Notes as collateral in repurchase transactions and/or as collateral in connection with liquidity and/or open market operations with the European Central Bank or other qualified investors. The Originators may enter into a securities lending transaction with J.P. Morgan Securities plc (or one of its affiliates) in respect of some or all of the Class A Notes after the Issue Date (the "**Securities Lending Transaction**"). J.P. Morgan Securities plc (or one of its affiliates), in its capacity as securities lending counterparty with respect to the Class A Notes held by it pursuant to the Securities Lending Transaction, may exercise voting rights in respect of the Class A Notes held by it in a manner that may be prejudicial to other Noteholders.*

Each of the Originators intend to retain the Class B Notes subscribed by each of them and has undertaken that it will retain at the origination and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with Article 122(a) of Directive 2006/48/EC (as amended by Directive 2009/111/EC).

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

Dated 14 December 2012

Responsibility Statement

None of the Issuer, the Representative of the Noteholders or any other party to any of the Transaction Documents (as defined below), other than the Originators, has undertaken or will undertake any investigations, searches or other actions to verify details of the Claims sold by the Originators to the Issuer, nor have the Issuer, the Representative of the Noteholders or any other party to any of the Transaction Documents, other than the Originators, undertaken, nor will they undertake, any investigations, searches or other actions to establish the existence of any of the monetary claims in the Portfolios or the creditworthiness of any debtor in respect of the Claims.

The Issuer

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), such information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains all information which is material in the context of the issuance and offering of the Notes, that the information contained in this Prospectus *is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading.*

The Originators

The Originators have provided the information under the sections headed "The Portfolios", "The Originators" and the "Collection Policy and Recovery Procedures" and any other information contained in this Prospectus relating to itself and the Portfolios and accepts responsibility for the information contained in those sections. The Originators have also provided the historical data for the information contained in the section headed "Weighted Average Life of the Rated Notes" on the basis of which the information contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. To the best of the knowledge of the Originators (which have taken all reasonable care to ensure that such is the case), the information and data in relation to which each of them is responsible as described above are true and accurate in all material respects, are not misleading, are in accordance with the facts and does not omit anything likely to affect the import of such information and data.

The Swap Counterparty

The Swap Counterparty has provided the information under the section headed "The Swap Counterparty" and, together with the Issuer, accepts responsibility for the information contained in that section related to itself. To the best of the knowledge of J.P. Morgan Securities plc (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, the Swap Counterparty has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

The Swap Guarantor

The Swap Guarantor has provided the information under the section headed the "Swap Guarantor" and accepts responsibility for the information contained in that section related to itself. To the best of the knowledge of JPMorgan Chase Bank, N.A. (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, the Swap Guarantor has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

The Computation Agent

Securitisation Services S.p.A. has provided the information included in this Prospectus in the relevant parts of the section headed "The Computation Agent" and accepts responsibility for the information contained in that section. To the best of the knowledge of Securitisation Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Securitisation Services S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

The Agent Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Cash Manager, the Irish Paying Agent

Each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon, London Branch and The Bank of New York Mellon (Ireland) Limited has provided the information included in this Prospectus in the relevant part of the section headed "The Agent Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Cash Manager, the Irish Paying Agent" and accepts responsibility for the information contained in that section. To the best of the knowledge of each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon, London Branch and The Bank of New York Mellon (Ireland) Limited (which has taken all reasonable care to ensure that such is the case), such information is true and accurate in all material respects, is not misleading, is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon, London Branch and The Bank of New York Mellon (Ireland) Limited has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

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

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom will be segregated from all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by the Originators (in any capacity), the quotaholder of the Issuer and any Other Issuer Creditors (as defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

*Both before and after a winding-up of the Issuer, the Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios (the "**Transaction**") and to the corporate existence and good standing of the Issuer. The "**Other Issuer Creditors**" are the Swap Counterparty, the Originators, the Servicers, the Master Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Security Trustee, the Subscribers, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Paying*

*Agent and the Limited Recourse Loan Providers. The Noteholders will agree that the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the orders of priority of application of the Issuer Available Funds set forth in the Intercreditor Agreement (the "**Orders of Priority**").*

The Issuer's rights, title and interest in and to the Portfolios and to all amounts deriving therefrom may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors in accordance with the Transaction Documents and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-à-vis the Noteholders, the Other Issuer Creditors and any such third party.

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

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

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

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

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

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

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

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

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OVERVIEW OF THE TRANSACTION

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

THE PRINCIPAL PARTIES

ISSUER	**2012 Popolare Bari SME S.r.l.**, a limited liability company incorporated under article 3 of the Law 130, fiscal number e Register of Companies No. 04504680267, paid-in share capital equal to Euro 10,000, enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011, whose registered office is at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy.
ORIGINATOR	**Banca Popolare di Bari S.c.p.a.**, a bank incorporated in Italy as a *società cooperativa per azioni*, registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 4616, whose registered office is at Corso Cavour 19, 70122, Bari ("**Banca Popolare di Bari**" or "**BPB**" or the "**Originator**").
ORIGINATOR	**Cassa di Risparmio di Orvieto S.p.a.**, a bank incorporated in Italy as a *società per azioni*, registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 5123, whose registered office is at Piazza della Repubblica 21, Orvieto (TR), part of the banking group "Banca Popolare di Bari" subject to the coordination and direction of "Banca Popolare di Bari" ("**Cassa di Risparmio di Orvieto**" or "**CRO**" or the "**Originator**", and together with Banca Popolare di Bari, the "**Originators**").
AGENT BANK	**The Bank of New York Mellon, (Luxembourg) S.A., Italian Branch**, a company incorporated under the laws of the Grand Duchy of Luxembourg, acting through its Italian branch, having its registered office at Via Carducci, 31, 20123, Milan, Italy, ("**Bank of New York, Italian Branch**"), as agent bank, or any other person from time to time acting as the Agent Bank.
TRANSACTION BANK	**Bank of New York, Italian Branch**, or any other person from time to time acting as Transaction Bank.
ENGLISH TRANSACTION BANK	**The Bank of New York Mellon, London Branch**, a New York banking corporation acting through its London branch, whose principal place of

	business is at One Canada Square, London E14 5AL, United Kingdom ("**Bank of New York, London**").
PRINCIPAL PAYING AGENT	**Bank of New York, Italian Branch**, or any other person from time to time acting as Principal Paying Agent.
REPRESENTATIVE OF THE NOTEHOLDERS	**Securitisation Services S.p.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 1,595,055.00 (fully paid-up), fiscal code and enrolment with the companies register of Treviso number 03546510268, enrolled under number 31816 in the general register and enrolled in the special register held by the Bank of Italy pursuant to, respectively, articles 106 and 107 of the Consolidated Banking Act, subject to direction and coordination activities (*soggetta all'attività di direzione e coordinamento*) of Finanziaria Internazionale Holding S.p.A., ("**Securitisation Services**") or any other person from time to time acting as Representative of the Noteholders.
SWAP COUNTERPARTY	**J.P. Morgan Securities plc**, a company authorised and regulated by the Financial Services Authority, registered in England & Wales under registration number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom, as swap counterparty under the Swap Agreement (the "**Swap Counterparty**").
SWAP GUARANTOR	**JPMorgan Chase Bank, N.A.**, with its registered office at 270 Park Avenue, New York, New York 10017-2070, United States of America, or any other person from time to time acting as guarantor of the obligations of J.P. Morgan Securities plc as Swap Counterparty (the "**Swap Guarantor**").
SERVICERS	**Banca Popolare di Bari** and **Cassa di Risparmio di Orvieto**, or any other person from time to time acting as Servicers.
MASTER SERVICER	**Banca Popolare di Bari** or any other person from time to time acting as Master Servicer.
LIMITED RECOURSE LOAN PROVIDER	**Banca Popolare di Bari** and **Cassa di Risparmio di Orvieto**, or any other person from time to time acting as Limited Recourse Loan Providers.
CORPORATE SERVICES PROVIDER	**Securitisation Services** or any other person from time to time acting as Corporate Services Provider.

QUOTAHOLDER	**SVM Securitisation Vehicles Management S.r.l.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata*, quota capital of euro 30,000 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso number 03546650262 (the "**Quotaholder**").
CASH MANAGER	**Bank of New York, London**, or any other person from time to time acting as Cash Manager.
COMPUTATION AGENT	**Securitisation Services**, or any other person from time to time acting as Computation Agent.
IRISH PAYING AGENT	**The Bank of New York Mellon (Ireland) Limited**, a company incorporated under the laws of Ireland, with offices at Hanover Building, Windmill Lane, Dublin 2, Ireland, as Irish paying agent under the Cash Administration and Agency Agreement or any other person from time to time acting as agent of the Issuer in Ireland. The Principal Paying Agent and the Irish Paying Agent are collectively referred to as the "**Paying Agents**".
SECURITY TRUSTEE	**Securitisation Services**, or any other person from time to time acting as Security Trustee.
BACK-UP SERVICER	**Banca Etruria Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa per azioni*, enrolled with the Companies Register of Arezzo, Italy, under No. 00367210515, registered in the register of the banks kept by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act with No. 5390, header of the bank group Gruppo Banca Etruria registered in the register of the banks kept by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act with No. 5390, whose registered office is at via Calamandrei, 255, 52100 Arezzo, Italy, ("**Banca Etruria**" or the "***Back-Up Servicer***").

PRINCIPAL FEATURES OF THE NOTES

TITLE	The Notes will be issued by the Issuer on the Issue Date in the following classes (each a "**Class**"): Euro 497,000,000 Class A1 Notes due October 2054 (the "**Class A1 Notes**"); Euro 120,000,000 Class A2 Notes due October 2054 (the "**Class A2 Notes**" and together with the Class A1 Notes the "**Class A Notes**" or the "**Rated Notes**"); Euro 198,087,000 Class B1 Notes due October 2054 (the "**Class B1 Notes**"); Euro 47,790,000 Class B2 Notes due October 2054 (the "**Class B2 Notes**" and together with the "**Class B1 Notes**" the "**Class B Notes**". The Class A Notes and the Class B Notes, together the "**Notes**").

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

Class	*Issue Price*
Class A	100%
Class B	100%

INTEREST The rate of interest applicable from time to time in respect of the Notes (the "**Interest Rate**") will be EURIBOR for 3 (three) month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between 4 and 5 deposits in Euro), as determined and defined in accordance with Condition 5 (*Interest*) plus the following relevant margin:

- Class A1 Notes 0.3% *per annum*;
- Class A2 Notes 0.3% *per annum*;
- Class B1 Notes 3.0% *per annum*;
- Class B2 Notes 3.0% *per annum.*

The Class B1 Notes and the Class B2 Notes respectively bear, in addition to interest, the Additional Return (as defined below) from (and including) the Issue Date.

PAYMENT DATE Interest on the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on the last calendar day of July, October, January and April in each year or, if such date is not a Business Day, on the following Business Day (each such date a "**Payment Date**"). The first Payment Date will fall on 30 April 2013 (the "**First Payment Date**").

ADDITIONAL RETURN Means **(i)** on each Payment Date on which the Pre-Acceleration Order of Priority applies, (a) in respect of the Class B1 Notes, the Class B1 Notes Additional Return and (b) in respect of the Class B2 Notes, the Class B2 Notes Additional Return, and **(ii)** on each Payment Date on which the Acceleration Order of Priority applies, the Class B Notes Additional Return.

CLASS B1 NOTES ADDITIONAL RETURN Means, on each Payment Date on which the BPB Pre-Acceleration Order of Priority applies, an amount equal to the BPB Available Funds available on such Payment Date after payment of items from (*First*) to (*Seventeenth*) (inclusive) of the BPB Pre-Acceleration Order of Priority.

CLASS B2 NOTES ADDITIONAL RETURN Means, on each Payment Date on which the CRO Pre-Acceleration Order of Priority applies, an amount equal to the CRO Available Funds available on such Payment Date after payment of items from (*First*) to (*Seventeenth*) (inclusive) of the CRO Pre-Acceleration Order of Priority.

CLASS B NOTES ADDITIONAL RETURN Means, on each Payment Date on which the Acceleration Order of Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from (*First*) to (*Thirteenth*) (inclusive) of the Acceleration Order of Priority.

UNPAID INTEREST Without prejudice to Condition 9 (a) (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with

the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Rated Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of the Conditions as if it were, Interest Amount accrued on the Rated Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

FORM AND DENOMINATION OF THE NOTES

The Notes will be held in dematerialised form on behalf of the Noteholders as of the Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes. The Class A Notes will be issued in denominations of Euro 100,000. The Class B Notes will be issued in denominations of Euro 1,000.

ACCOUNTS AND DESCRIPTION OF CASH FLOWS

ACCOUNTS HELD WITH BANCA ANTONVENETA S.P.A.

Pursuant to separate agreements entered into on or before the Issue Date, the Issuer has established with Banca Antonveneta S.p.A., Conegliano branch, the following accounts as separate accounts in the name of the Issuer:

QUOTA CAPITAL ACCOUNT

A Euro denominated account (the "**Quota Capital Account**") (*Conto Capitale Sociale*) IBAN IT 07 V 05040 61621 000001285721 *into which* all sums contributed by the Quotaholder as quota capital of the Issuer and any interest thereon will be credited.

EXPENSES ACCOUNT

A Euro denominated account (the "**Expenses Account**") (*Conto Spese*) IBAN IT56G0504061621000001300831 *into which* **(i)** on the Issue Date the Retention Amount shall be credited from the Payments Accounts; and **(ii)** on each Payment Date an amount shall be paid from the Payments Accounts in accordance with the applicable Order of Priority so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and *out of which* **(i)** any taxes due and payable on behalf of the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations or to fulfill payment obligations of the Issuer to third parties (other than the Noteholders and the Other Issuer Creditors) incurred in relation to the Transaction will be paid on any Business Day; and **(ii)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, any amount standing to the credit of the Expenses Account shall be transferred to the Payments Accounts.

ACCOUNTS HELD WITH THE TRANSACTION BANK

Pursuant to the terms and conditions of the Cash Administration and Agency Agreement, the Issuer has directed the Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

BPB COLLECTION ACCOUNT

A Euro denominated account (the "**BPB Collection Account**") (*Conto dell'Operazione BPB*) IBAN IT22A0335101600008410339780 *into which* (**i**) all amounts received or recovered by BPB in respect of the BPB Claims shall be credited by 20:00 (Italian time) on any day (or in case of a day not being a Business Day, the following Business Day) following the day on which BPB has received or recovered the relevant amounts (except for the amounts received or recovered by BPB in respect of the BPB Claims from the Effective Date (included) until the day preceding the Issue Date which shall be credited not later than the day preceding the Issue Date; **(ii)** any amount due by the Servicer in respect of the BPB Portfolio to the Issuer as indemnity for the renegotiation of the BPB Claims pursuant to the Servicing Agreement will be credited; and **(iii)** all amounts due by BPB to the Issuer under the terms of the Warranty and Indemnity Agreement will be credited; and *out of which* any amount standing to the credit of such Account by 15:00 Milan time will be transferred, on the same Business Day, into the BPB Investment Account.

CRO COLLECTION ACCOUNT

A Euro denominated account (the "**CRO Collection Account**") (*Conto* dell'Operazione *CRO*) IBAN IT74Z0335101600008410329780 *into which* **(i)** all amounts received or recovered by CRO in respect of the CRO Claims shall be credited by 20:00 (Italian time) on any day (or in case of a day not being a Business Day, the following Business Day) following the day on which CRO has received or recovered the relevant amounts (except for the amounts received or recovered by CRO in respect of the CRO Claims from the Effective Date (included) until the day preceding the Issue Date which shall be credited not later than the day preceding the Issue Date **(ii)** any amount due by the Servicer in respect of the CRO Portfolio to the Issuer as indemnity for the renegotiation of the CRO Claims pursuant to the Servicing Agreement will be credited; and **(iii)** all amounts due by CRO to the Issuer under the terms of the Warranty and Indemnity Agreement will be credited; and *out of which* any amount standing to the credit of such Account by 15:00 Milan time will be transferred, on the same Business Day, into the CRO Investment Account.

PAYMENTS ACCOUNTS

Two Euro denominated accounts (respectively, "**BPB Payments Sub-Account**" with IBAN IT39N0335101600008808199781 and the "**CRO Payments Sub-Account**" with IBAN IT16O0335101600008808199782 and, collectively, the "**Payments Accounts**"),

into which:

(a) **on the BPB Payments Sub-Account (i)** all amounts standing to the credit of the BPB Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of

the BPB Investment Account (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; **(ii)** any net amount due from the Swap Counterparty under the Swap Agreement in respect of each BPB Swap Transaction will be paid 2 (two) Business Days prior to each Payment Date, but which shall, for the avoidance of doubt, exclude any collateral transferred under the Swap Agreement with respect to which reference is made in the description of the Collateral Account below; **(iii)** all amounts received from the sale of all or part of the BPB Portfolio (other than amounts due by BPB to the Issuer under the terms of the Warranty and Indemnity Agreement), should such sale occur, will be credited; **(iv)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, the BPB Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account shall be transferred; **(v)** the BPB Outstanding Notes Ratio as of the Issue Date of the Retention Amount and any other amount to be paid by BPB on the Issue Date under the Limited Recourse Loan Agreement, which exceeds the BPB Liquidity Reserve Amount will be credited on the Issue Date in accordance with the Limited Recourse Loan Agreement; and (**vi**) the BPB Outstanding Notes Ratio of any Swap Collateral Account Surplus shall be credited in accordance with the Collateral Account Priority of Payments; and

(b) **on the CRO Payments Sub-Account (i)** all amounts standing to the credit of the CRO Investment Account and in general any sums arising from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the CRO Investment Account (including any profit generated thereby or interest matured thereon) shall be credited 2 (two) Business Days prior to each Payment Date; **(ii)** any net amount due from the Swap Counterparty under the Swap Agreement in respect of each CRO Swap Transaction will be paid 2 (two) Business Days prior to each Payment Date, but which shall, for the avoidance of doubt, exclude any collateral transferred under the Swap Agreement with respect to which reference is made in the description of the Collateral Account below; **(iii)** all amounts received from the sale of all or part of the CRO Portfolio (other than amounts due by CRO to the Issuer under the terms of the Warranty and Indemnity Agreement) should such sale occur, will be credited; **(iv)** on the Business Day immediately preceding the earlier of (a) the Payment Date on which the Notes will be redeemed in full and (b) the Final Maturity Date, the CRO Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account shall be transferred; **(v)** the CRO Outstanding Notes Ratio as of the Issue Date of the Retention Amount and any other amount to be paid by CRO on the Issue Date under the Limited Recourse Loan Agreement, which exceeds

the CRO Liquidity Reserve Amount will be credited on the Issue Date in accordance with the Limited Recourse Loan Agreement; and (**vi**) the CRO Outstanding Notes Ratio of any Swap Collateral Account Surplus shall be credited in accordance with the Collateral Account Priority of Payments; and

out of which

(a) **from the BPB Payments Sub-Account (i)** on each Payment Date all payments of interest and principal on the Class A1 Notes and the Class B1 Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the BPB Pre-Acceleration Order of Priority or the Acceleration Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; **(ii)** any amount standing to the credit thereof will be transferred to the BPB Investment Account 1 (one) Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full and the Final Maturity Date); and **(iii)** on the Issue Date (a) the BPB Outstanding Notes Ratio as of the Issue Date of the Retention Amount will be credited to the Expenses Account; and (b) the BPB Cap Premium Amount will be paid to the Swap Counterparty;

(b) **from the CRO Payments Sub-Account (i)** on each Payment Date all payments of interest and principal on the Class A2 Notes and the Class B2 Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction and any other payment or transfer set forth under the CRO Pre-Acceleration Order of Priority or the Acceleration Order of Priority shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; **(ii)** any amount standing to the credit thereof will be transferred to the CRO Investment Account one Business Day after each Payment Date (other than the Payment Date on which the Notes will be redeemed in full and the Final Maturity Date); and **(iii)** on the Issue Date (a) the CRO Outstanding Notes Ratio as of the Issue Date of the Retention Amount will be credited to the Expenses Account and (b) the CRO Cap Premium Amount will be paid to the Swap Counterparty.

BPB LIQUIDITY RESERVE ACCOUNT

A Euro denominated account (the "**BPB Liquidity Reserve Account**" (*Conto Riserva di Liquidità BPB*) IBAN IT33C0335101600008410279780, *into which*: on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under item (*Seventh*) of the BPB Pre-Acceleration Order of Priority and item (*Eighth*) of the CRO Pre-Acceleration Order of Priority will be credited; and *out of which* on the Business Day following each Payment Date the amount standing to the credit of the BPB Liquidity Reserve Account will be transferred into

the BPB Investment Account.

CRO LIQUIDITY RESERVE ACCOUNT

A Euro denominated account (the "**CRO Liquidity Reserve Account**" (*Conto Riserva di Liquidità CRO*) and, together with the BPB Liquidity Reserve Account, the "**Liquidity Reserve Accounts**") IBAN IT67X0335101600008410309780 *into which*: on each Payment Date prior to the delivery of a Trigger Notice, all sums payable under item (*Seventh*) of the CRO Pre-Acceleration Order of Priority and item (*Eighth*) of the BPB Pre-Acceleration Order of Priority will be credited; and *out of which* on the Business Day following each Payment Date the amount standing to the credit of the CRO Liquidity Reserve Account will be transferred into the CRO Investment Account.

ACCOUNTS HELD WITH THE ENGLISH TRANSACTION BANK

The Issuer has directed the English Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

BPB INVESTMENT ACCOUNT

A Euro denominated account (the "**BPB Investment Account**") (*Conto Investimenti BPB*) IBAN GB56IRVT70022563218780 *into which* **(i)** any amounts standing to the credit of the BPB Collection Account by 15.00 Milan time of each Business Day will be transferred on the same Business Day; **(ii)** (a) all sums arising from the BPB Portfolio, and (b) the BPB Outstanding Notes Ratio of sums which are not directly attributable to the BPB Portfolio or to the CRO Portfolio, collected or received by the Issuer under any Transaction Document to which the Issuer is a party will be credited from time to time, if not credited to other accounts pursuant to the Transaction Documents; **(iii)** any amount credited into the BPB Liquidity Reserve Account on each Payment Date in accordance with the Pre-Acceleration Order of Priority will be transferred on the Business Day following such date; **(iv)** any amounts standing to the credit of the BPB Payments Sub-Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full and the Final Maturity Date) will be credited on such Business Day; **(v)** the BPB Limited Recourse Loan Provider will credit the BPB Liquidity Reserve Amount on the Issue Date; **(vi)** any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds standing to the credit of such account and any profit generated thereby or interest accrued thereon, will be credited (other than on the second Business Day prior to each Payment Date); and *out of which* **(i)** any amounts standing to the credit thereof 2 (two) Business Days before each Payment Date shall be credited on such date to the BPB Payments Sub-Account; **(ii)** upon specific written instruction of BPB containing all information and details indicated in the form attached as Schedule 1 to the Cash Administration and Agency Agreement, amounts standing to the credit thereof will be applied by the Cash Manager for the

purchase of Eligible Investments, in accordance with BPB's instructions; or **(iii)** should an event such as a Trigger Event provided upon letter (d) of Condition 9 (*Trigger Event*) occur with respect to BPB (as provided upon clause 8.4 of the Cash Administration and Agency Agreement) upon written instruction of the Issuer containing all information and details indicated in the form attached as Schedule 1 to the Cash Administration and Agency Agreement, amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, in accordance with the Issuer's instructions.

CRO INVESTMENT ACCOUNT

A Euro denominated account (the "**CRO Investment Account**") (*Conto Investimenti CRO*) IBAN GB87IRVT70022584103680 *into which* **(i)** any amounts standing to the credit of the CRO Collection Account by 15.00 Milan time of each Business Day will be transferred on the same Business Day; **(ii)** (a) all sums arising from the CRO Portfolio, and (b) the CRO Outstanding Notes Ratio of sums which are not directly attributable to the BPB Portfolio or to the CRO Portfolio, collected or received by the Issuer under any Transaction Document to which the Issuer is a party will be credited from time to time, if not credited to other accounts pursuant to the Transaction Documents; **(iii)** any amount credited into the CRO Liquidity Reserve Account on each Payment Date in accordance with the Pre-Acceleration Order of Priority will be transferred on the Business Day following such date **(iv)** any amounts standing to the credit of the CRO Payments Sub-Account on the Business Day immediately following each Payment Date (other than the Payment Date on which the Notes are redeemed in full and the Final Maturity Date) will be credited on such Business Day; **(v)** the CRO Limited Recourse Loan Provider will credit the CRO Liquidity Reserve Amount on the Issue Date; **(vi)** any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments purchased through the funds standing to the credit of such account and any profit generated thereby or interest accrued thereon, will be credited (other than on the second Business Day prior to each Payment Date); and *out of which* **(i)** any amounts standing to the credit thereof 2 (two) Business Days before each Payment Date shall be credited on such date to the CRO Payments Sub-Account; **(ii)** upon specific written instruction of BPB, containing all information and details indicated in the form attached as Schedule 1 to the Cash Administration and Agency Agreement, amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, in accordance with the BPB's instructions; or **(iii)** should an event such as a Trigger Event provided upon letter (d) of Condition 9 (*Trigger Event*) occur with respect to BPB (as provided upon clause 8.4 of the Cash Administration and Agency Agreement) upon written instruction of the Issuer containing all information and details indicated in the form attached as Schedule 1 to the Cash Administration and Agency Agreement, amounts standing to the credit thereof will be applied by the Cash Manager for the purchase of Eligible Investments, in accordance with the Issuer's instructions.

BPB SECURITIES

A securities custody account (the "**BPB Securities Account**") (*Conto*

ACCOUNT	*Deposito Titoli BPB*) No. 632187 for the deposit of the Issuer's entitlement to Eligible Investments, not being cash invested on time deposit, which may be purchased with the monies standing to the credit of the BPB Investment Account and charged in accordance with the provision of the Deed of Charge.
CRO SECURITIES ACCOUNT	A securities custody account (the "**CRO Securities Account**") (*Conto Deposito Titoli CRO*) No. 841036 for the deposit of the Issuer's entitlement to Eligible Investments, not being cash invested on time deposit, which may be purchased with the monies standing to the credit of the CRO Investment Account and charged in accordance with the provision of the Deed of Charge.
COLLATERAL ACCOUNT	A cash and securities account (the "**Collateral Account**") with IBAN GB55IRVT70022584103480 for transfer in Euro currency, GB81IRVT70022584103400 for transfer in US$ currency, GB13IRVT70022584103460 for transfer in GBP currency, *into which* shall be credited **(i)** any collateral received from the Swap Counterparty pursuant to the Swap Agreement, **(ii)** any interest or distributions on, and any liquidation or other proceeds of, such collateral, **(iii)** any Replacement Swap Premium received by the Issuer from a replacement swap counterparty and **(iv)** any termination payment received by the Issuer from the outgoing Swap Counterparty pursuant to the Swap Agreement and *out of which* amounts shall be paid and securities shall be transferred in accordance with the Collateral Account Priority of Payments.

"**Replacement Swap Premium**" means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement on substantially the same terms as the Swap Agreement to replace or novate the Swap Agreement.

"**Accounts**" means collectively the Expenses Account, the Quota Capital Account, the Payments Accounts, the Collection Accounts, the Investment Accounts, the Securities Accounts, the Collateral Account and the Liquidity Reserve Accounts; and "**Account**" means any of them.

"**BPB Accounts**" means the BPB Collection Account, the BPB Payments Sub-Account, the BPB Liquidity Reserve Account, the BPB Investment Account and the BPB Securities Account.

"**BPB Claims**" means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, as assigned by Banca Popolare di Bari to the Issuer pursuant to the BPB Transfer Agreement.

"**BPB Outstanding Notes Ratio**" means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A1 Notes and Class B1 Notes, and (y) the Principal Amount

Outstanding of all the Notes.

"**BPB Portfolio**" means the portfolio of BPB Claims and connected rights arising under the Loans which are sold to the Issuer by Banca Popolare di Bari pursuant to the BPB Transfer Agreement.

"**BPB Cap Premium Amount**" means the upfront amount to be paid by the Issuer to the Swap Counterparty under the BPB Interest Rate Cap Transactions on the Issue Date.

"**CRO Cap Premium Amount**" means the upfront amount to be paid by the Issuer to the Swap Counterparty under the CRO Interest Rate Cap Transactions on the Issue Date.

"**Claims**" means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, and made up by the BPB Claims and the CRO Claims.

"**CRO Accounts**" means the CRO Collection Account, the CRO Payments Sub-Account, the CRO Liquidity Reserve Account, the CRO Investment Account and the CRO Securities Account.

"**CRO Claims**" means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, as assigned by Cassa di Risparmio di Orvieto to the Issuer pursuant to the CRO Transfer Agreement.

"**CRO Portfolio**" means the portfolio of CRO Claims and connected rights arising under the Loans which are sold to the Issuer by Cassa di Risparmio di Orvieto pursuant to the CRO Transfer Agreement and together with the BPB Portfolio, the "**Portfolios**" and each a "**Portfolio**".

"**CRO Outstanding Notes Ratio**" means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A2 Notes and the Class B2 Notes, and (y) the Principal Amount Outstanding of all the Notes.

BPB AVAILABLE FUNDS Means, in respect of each Payment Date on which the BPB Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

(i) all the sums received or recovered by the Issuer from or in respect of the BPB Claims during the Collection Period immediately preceding such Payment Date;

(ii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement in respect to the BPB Swap Transactions (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid

directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

(iii) all amounts received by the Issuer in respect of the BPB Portfolio pursuant to the BPB Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

(iv) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BPB Investment Account in respect of the Collection Period immediately preceding such Payment Date;

(v) (a) with reference to the First Payment Date only, the BPB Liquidity Reserve Amount, and (b) on each Payment Date falling thereafter, all amounts standing to the credit of the BPB Liquidity Reserve Account on the immediately preceding Payment Date after application of the Pre-Acceleration Order of Priority on such Payment Date;

(vi) interest (if any) accrued on and credited to the BPB Accounts in the Collection Period immediately preceding such Payment Date;

(vii) all amounts received from the sale of all or part of the BPB Portfolio, should such sale occur;

(viii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BPB Accounts and the BPB Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;

(ix) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BPB Accounts on the Collection Date immediately preceding such Payment Date;

(x) any Swap Collateral Account Surplus paid into the BPB Payments Sub-Account in accordance with the Collateral Account Priority of Payments; and

(xi) starting from the Payment Date (included) on which the Class A2 Notes are redeemed in full, the BPB Cured Shortfall Amount to be paid out of the CRO Available Funds on the same Payment Date;

and provided that

on each Payment Date starting from the Payment Date (included) on which the Class A1 Notes are redeemed in full, an amount equal to the CRO Cured Shortfall Amount shall be transferred to the CRO Available Funds to be applied under the CRO Pre Acceleration order of Priority on the same Payment Date.

"**CRO Shortfall Amount**" means, in respect of each Payment Date, the higher of (a) zero, and (b) the amount equal to the positive difference between (1) the aggregate of the sums paid under items (vi), (viii), (x), and

(xii) of the CRO Pre-Acceleration Order of Priority on any preceding Payment Date, and (2) the sum of (A) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the BPB Pre-Acceleration Order of Priority on any preceding Payment Dates and (B) the aggregate of the CRO Cured Shortfall Amount transferred to the CRO Available Funds on any preceding Payment Date.

"**CRO Cured Shortfall Amount**" means, in respect of each Payment Date following redemption in full of the Class A1 Notes, the lower of (i) the CRO Shortfall Amount, and (ii) the BPB Available Funds available after payment of any amount due under items (i) to (xii) of the BPB Pre Acceleration Order of Priority on such Payment Date.

"**Swap Tax Credit Amount**" means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Swap Agreement) which is payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

CRO AVAILABLE FUNDS

Means, in respect of each Payment Date on which the CRO Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

(i) all the sums received or recovered by the Issuer from or in respect of the CRO Claims during the Collection Period immediately preceding such Payment Date;

(ii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement in respect to the CRO Swap Transactions (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

(iii) all amounts received by the Issuer in respect of the CRO Portfolio pursuant to the CRO Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

(iv) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the CRO Investment Account in respect of the Collection Period immediately preceding such Payment Date;

(v) (a) with reference to the First Payment Date only, the CRO Liquidity Reserve Amount, and (b) on each Payment Date falling thereafter, all amounts standing to the credit of the CRO Liquidity Reserve Account on the immediately preceding Payment Date after application of the Pre-Acceleration Order of Priority on such Payment Date;

(vi) interest (if any) accrued on and credited to the CRO Accounts in the Collection Period immediately preceding such Payment Date;

(vii) all amounts received from the sale of all or part of the CRO Portfolio, should such sale occur;

(viii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the CRO Accounts and the CRO Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;

(ix) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the CRO Accounts on the Collection Date immediately preceding such Payment Date; and

(x) any Swap Collateral Account Surplus paid into the CRO Payments Sub-Account in accordance with the Collateral Account Priority of Payments; and

(xi) starting from the Payment Date (included) on which the Class A1 Notes are redeemed in full, the CRO Cured Shortfall Amount to be paid out of the BPB Available Funds on the same Payment Date;

and provided that:

on each Payment Date starting from the Payment Date (included) on which the Class A2 Notes are redeemed in full, an amount equal to the BPB Cured Shortfall Amount shall be transferred to the BPB Available Funds to be applied under the BPB Pre Acceleration order of Priority on the same Payment Date.

"**BPB Shortfall Amount**" means, in respect of each Payment Date, the higher of (a) zero, and (b) the amount equal to the positive difference between (1) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the BPB Pre-Acceleration Order of Priority on any preceding Payment Date, and (2) the sum of (A) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the CRO Pre-Acceleration Order of Priority on any preceding Payment Dates and (B) the aggregate of the BPB Cured Shortfall Amount transferred to the BPB Available Funds on any preceding Payment Date.

"**BPB Cured Shortfall Amount**" means, in respect of each Payment Date following redemption in full of the Class A2 Notes, the lower of (i) the BPB Shortfall Amount, and (ii) the CRO Available Funds available after payment of any amount due under items (i) to (xii) of the CRO Pre Acceleration Order of Priority on such Payment Date.

"**Issuer Available Funds**" means the BPB Available Funds and/or the CRO Available Funds and/or the Available Funds (as the context requires).

AVAILABLE FUNDS

Means, in respect of each Payment Date, on which the Acceleration Order of Priority applies, the aggregate of:

(i) all amounts received from the sale of all or part of the Portfolio,

should such sale occur, and proceeds (if any) from the enforcement of the Security Documents and the Issuer's Rights;

(ii) the residual balance standing to the credit of the Accounts (other than the Expenses Account, the Quota Capital Account and the Collateral Account);

(iii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the Expenses Account;

(iv) without duplication of the above, all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority); and

(v) without duplication of the above, any Swap Collateral Account Surplus paid into the Payments Accounts in accordance with the Collateral Account Priority of Payments.

"**Collateral Amount**" means any amounts or securities standing to the credit of the Collateral Account.

ORDERS OF PRIORITY

BPB PRE-ACCELERATION ORDER OF PRIORITY

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 or (iii) an Optional Redemption pursuant to Condition 6.4, the BPB Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**BPB Pre-Acceleration Order of Priority**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BPB Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection

with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the BPB Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BPB Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BPB Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer; (ii) the Master Servicer Fees to the Master Servicer and the Servicing Fees to the Servicer both in respect of the BPB Portfolio;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the BPB Swap Transactions only) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment *provided that* any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only (a) to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty, and (b) in an amount equal to the BPB Outstanding Notes Ratio of such amount;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes;

(vi) *Sixth*, to pay, in the relevant order, all amounts due under items (*First*) to (*Fifth*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(vii) *Seventh*, to credit the BPB Liquidity Reserve Account with the

BPB Liquidity Reserve Amount due on such Payment Date;

(viii) *Eighth*, to pay all amounts due under item (*Seventh*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(ix) *Ninth*, towards payment (*pari passu* and *pro rata* to the extent of the respective amounts thereof) of the Principal Amount Outstanding of the Class A1 Notes;

(x) *Tenth*, following redemption in full of the Class A1 Notes, to pay all amounts due under item (*Ninth*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(xi) *Eleventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full any Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty, to pay the BPB Outstanding Notes Ratio of any due but unpaid Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty;

(xii) *Twelfth*, to pay all amounts due under item (*Eleventh*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BPB, pursuant to the BPB Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement; (b) the Master Servicer and the Servicer pursuant to the Servicing Agreement in respect of the BPB Portfolio, to the extent not already paid under other items of this Order of Priority;

(xiv) *Fourteenth*, to pay interest due and payable on the BPB Limited Recourse Loan pursuant to the terms of the Limited Recourse Loan Agreement;

(xv) *Fifteenth*, to pay interest due and payable on the Class B1 Notes (other than the Class B1 Notes Additional Return);

(xvi) *Sixteenth*, to reimburse principal on the BPB Limited Recourse Loan, in an amount equal to the BPB Limited Recourse Loan Principal Payment;

(xvii) *Seventeenth*, following redemption in full of the Class A Notes: towards payment (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, of the

Principal Amount Outstanding of the Class B1 Notes (until the Principal Amount Outstanding of the Class B1 Notes is equal to Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B1 Notes in full;

(xviii) *Eighteenth*, to pay the Class B1 Notes Additional Return;

(xix) *Nineteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus to BPB,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report within 2 Business Days prior to the Calculation Date (or should it receive the Quarterly Servicing Report only in respect of the CRO Portfolio),

(i) it shall prepare the Payments Report by applying the BPB Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the BPB Liquidity Reserve Account on the immediately preceding Payment Date (after application of the BPB Pre-Acceleration Order of Priority on such Payment Date), *plus*

(b) the aggregate amount transferred from the BPB Collection Account to the BPB Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

(c) all amounts due and payable to the Issuer 2 Business Days preceding the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex;

towards payment only of items from (*First*) to (*Sixth*) (but excluding the Master Servicer Fees to the Master Servicer under item (*Third*)) of the BPB Pre-Acceleration Order of Priority, and

(ii) any amount that would otherwise have been payable under items from (*Seventh*) to (*Nineteenth*) of the BPB Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Master Servicer Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough BPB Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Eighth*), (*Tenth*), and (*Twelfth*) of the CRO Pre-Acceleration Order of Priority.

CRO PRE-ACCELERATION ORDER OF PRIORITY

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 or (iii) an Optional Redemption pursuant to Condition 6.4, the CRO Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**CRO Pre-Acceleration Order of Priority**" and, together with the BPB Pre-Acceleration Order of Priority, the "**Pre-Acceleration Order of Priorities**" and any of them a "**Pre-Acceleration Order of Priority**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the CRO Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the CRO Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the CRO Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the CRO Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer; (ii) the Master Servicer Fees to the Master Servicer and the Servicing Fees to the Servicer, both in respect of the CRO Portfolio;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the CRO Swap Transactions only) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the

Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment *provided that* any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only (a) to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty, and (b) in an amount equal to the CRO Outstanding Notes Ratio of such amount;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A2 Notes;

(vi) *Sixth*, to pay, in the relevant order, all amounts due under items *(First)* to *(Fifth)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(vii) *Seventh*, to credit the CRO Liquidity Reserve Account with the CRO Liquidity Reserve Amount due on such Payment Date;

(viii) *Eighth*, to pay all amounts due under item *(Seventh)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(ix) *Ninth*, towards payment (*pari passu* and *pro rata* to the extent of the respective amounts thereof) of the Principal Amount Outstanding of the Class A2 Notes;

(x) *Tenth*, following redemption in full of the Class A2 Notes, to pay all amounts due under item *(Ninth)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(xi) *Eleventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full any Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty, to pay the CRO Outstanding Notes Ratio of any due but unpaid Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty;

(xii) *Twelfth*, to pay all amounts due under item *(Eleventh)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to:

(a) CRO, pursuant to the CRO Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement; (b) the Master Servicer and the Servicer pursuant to the Servicing Agreement in respect of the CRO Portfolio, to the extent not already paid under other items of this Order of Priority;

(xiv) *Fourteenth*, to pay interest due and payable on the CRO Limited Recourse Loan pursuant to the terms of the Limited Recourse Loan Agreement;

(xv) *Fifteenth*, to pay interest due and payable on the Class B2 Notes (other than the Class B2 Notes Additional Return);

(xvi) *Sixteenth*, to reimburse principal on the CRO Limited Recourse Loan, in an amount equal to the CRO Limited Recourse Loan Principal Payment;

(xvii) *Seventeenth*, following redemption in full of the Class A Notes: towards payment (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, of the Principal Amount Outstanding of the Class B2 Notes (until the Principal Amount Outstanding of the Class B2 Notes is equal to Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B2 Notes in full;

(xviii) *Eighteenth*, to pay the Class B2 Notes Additional Return;

(xix) *Nineteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus to CRO,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report within 2 Business Days prior to the Calculation Date and the Quarterly Servicing Report completed only in respect of the CRO Portfolio is not delivered to the Computation Agent pursuant to the provision of the Servicing Agreement,

(i) it shall prepare the Payments Report by applying the CRO Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the CRO Liquidity Reserve Account on the immediately preceding Payment Date (after application of the CRO Pre-Acceleration Order of Priority on such Payment Date), *plus*

(b) the aggregate amount transferred from the CRO Collection Account to the CRO Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

(c) all amounts due and payable to the Issuer 2 Business Days

preceding the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex;

towards payment only of items from (*First*) to (*Sixth*) (but excluding the Master Servicer Fees to the Master Servicer under item (*Third*)) of the CRO Pre-Acceleration Order of Priority, and

(ii) any amount that would otherwise have been payable under items from (*Seventh*) to (*Nineteenth*) of the CRO Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Master Servicer Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough CRO Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Eighth*), (*Tenth*), and (*Twelfth*) of the BPB Pre-Acceleration Order of Priority.

ACCELERATION ORDER OF PRIORITY

(a) Following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*), or **(b)** in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or for the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof), (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of

the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Master Servicer, the Servicers, the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments and (3) any Subordinated Swap Counterparty Termination Payment, *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this item;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes and the Class A2 Notes;

(vi) *Sixth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes;

(vii) *Seventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

(viii) *Eighth*, to pay to BPB any CRO Cured Shortfall Amount (if any) and to CRO any BPB Cured Shortfall Amount (if any);

(ix) *Ninth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to the Originators pursuant to any of the Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement;

(x) *Tenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof) interest due and payable on the Limited Recourse Loans pursuant to the terms of the Limited Recourse Loan Agreement;

(xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) principal due and payable on the Limited Recourse Loans pursuant to the terms of the Limited Recourse Loan Agreement in an amount equal to the relevant Limited Recourse Loan Principal Payments;

(xii) *Twelfth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class B1 Notes and on the Class B2 Notes (other than the Class B Notes Additional Return);

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class B Notes;

(xiv) *Fourteenth*, to pay the Class B Notes Additional Return (*pari passu and pro rata* to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date);

(xv) *Fifteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the Accounts (other than the Expenses Account, the Collateral Account and the Quota Capital Account) to the each Originator in proportion to the principal outstanding amount of the relevant Portfolio transferred to the Issuer.

"**Senior Swap Counterparty Termination Payment**" means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty upon a termination of the Swap Transactions pursuant to the Swap Agreement.

"**Subordinated Swap Counterparty Termination Payment**" means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Transactions in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement).

COLLATERAL ACCOUNT PRIORITY OF PAYMENTS

Amounts and securities standing to the credit of the Collateral Account will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions (the "**Collateral Account Priority of Payments**"):

(i) prior to the occurrence or designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment or transfer of:

(a) any Return Amounts (as defined in the Credit Support Annex);

(b) any Interest Amounts and Distributions (each as defined in the Credit Support Annex) and

(c) any return of collateral to the Swap Counterparty upon a novation of such Swap Counterparty's obligations under the Swap Agreement to a replacement swap counterparty,

on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;

(ii) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement where (A) such Early Termination Date (as defined in the Swap Agreement) has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which the Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

A. *first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being novated or terminated;

B. *second*, in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

C. *third*, the surplus (if any) (a "**Swap Collateral Account Surplus**") on such day to be transferred (i) to the BPB Payments Sub-Account for an amount equal to the BPB Outstanding Notes Ratio of the Swap Collateral Account Surplus and (ii) to the CRO Payments Sub-Account for an amount equal to the CRO Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds;

(iii) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap

Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement;

(iv) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:

A. *first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being terminated; and

B. *second*, the surplus (if any) (a "**Swap Collateral Account Surplus**") remaining after payment of such Replacement Swap Premium to be transferred (i) to the BPB Payments Sub-Account for an amount equal to the BPB Outstanding Notes Ratio of the Swap Collateral Account Surplus and (ii) to the CRO Payments Sub-Account for an amount equal to the CRO Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds,

provided that if the Issuer has not entered into a replacement swap agreement with respect to the Swap Agreement on or prior to the earlier of:

(x) the day that is 10 Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of a Trigger Event pursuant to Condition 9 (*Trigger Events*)); or

(y) the day on which a Trigger Notice is given pursuant to Condition 9 (*Trigger Events*),

then the Collateral Amount on such day shall be transferred (i) for an amount equal to the BPB Outstanding Notes Ratio of the

Collateral Amount to the BPB Payments Sub-Account and (ii) for an amount equal to the CRO Outstanding Notes Ratio of the Collateral Amount to the CRO Payments Sub-Account as soon as reasonably practicable thereafter and deemed to constitute a Swap Collateral Account Surplus and to form Issuer Available Funds.

AMORTISATION OF THE NOTES

On each Payment Date on which the Pre-Acceleration Order of Priority applies, the principal payments due and payable on the Notes will be equal to:

(a) in respect of the Class A1 Notes, the amount of the BPB Available Funds available after payment of items from (i) to (viii)(inclusive) of the BPB Pre-Enforcement Order of Priority, plus, following redemption in full of the Class A2 Notes, the CRO Available Funds available after payment of items (i) to (ix)(inclusive) of the CRO Pre-Enforcement Order of Priority provided that, on the Payment Date on which the Class A1 Notes may be redeemed in full by utilising the BPB Liquidity Reserve Amount (available following payments of items from (i) to (vi) of the BPB Pre-Acceleration Order of Priority having been made) the BPB Liquidity Reserve Amount (available following payments of items from (i) to (vi) of the BPB Pre-Acceleration Order of Priority having been made) will be fully utilised towards redemption in full of the Class A1 Notes;

(b) in respect of the Class A2 Notes, the amount of the CRO Available Funds available after payment of items from (i) to (viii)(inclusive) of the CRO Pre-Enforcement Order of Priority, plus, following redemption in full of the Class A1 Notes, the BPB Available Funds available after payment of items (i) to (ix)(inclusive) of the BPB Pre-Enforcement Order of Priority provided that, on the Payment Date on which the Class A2 Notes may be redeemed in full by utilising the CRO Liquidity Reserve Amount (available following payments of items from (i) to (vi) of the CRO Pre-Acceleration Order of Priority having been made) the CRO Liquidity Reserve Amount (available following payments of items from (i) to (vi) of the CRO Pre-Acceleration Order of Priority having been made) will be fully utilised towards redemption in full of the Class A2 Notes;

(c) in respect of the Class B1 Notes, the amount of the BPB Available Funds available after payment of items from (i) to (xvii)(inclusive) of the BPB Pre-Enforcement Order of Priority; and

(d) in respect of the Class B2 Notes, the amount of the CRO Available Funds available after payment of items from (i) to (xvii)(inclusive) of the CRO Pre-Enforcement Order of Priority.

On each Payment Date on which the Acceleration Order of Priority

applies, the principal payments due and payable on the Notes will be equal to:

(a) in respect of the Class A Notes, the amount of the Available Funds available after payment of items from (i) to (v)(inclusive) of the Acceleration Order of Priority; and

(b) in respect of the Class B Notes, the amount of the Available Funds available after payment of items from (i) to (xii)(inclusive) of the Acceleration Order of Priority.

TRIGGER EVENTS

If any of the following events (each a "**Trigger Event**") occurs:

(a) *Non-payment*:

(i) having enough Issuer Available Funds available in accordance with the applicable Order of Priority to pay the amount of principal then due and payable on the Rated Notes, the Issuer defaults in the payment of such amount for a period of 5 (five) Business Days from the due date thereof (provided however that, for the avoidance of doubt, non payment of principal on the Notes, due to the Servicer not having provided the Quarterly Servicing Report (as described in Condition 4.1 (*Pre-Acceleration Order of Priority*)) shall not constitute a Trigger Event); or

(ii) irrespective of whether there are Issuer Available Funds available to it sufficient to make such payment in accordance with the applicable Order of Priority on any Payment Date the amount paid by the Issuer as interest on the Class A1 Notes or the Class A2 Notes is lower than the relevant Interest Amount and such non-payment has continued unremedied for a period of five Business Days; or

(b) *Breach of other obligations*:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation for the payment of principal or interest on the Rated Notes) or any of the Transaction Documents to which it is a party or the Swap Guarantee Security Agreement and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders and requiring the

same to be remedied; or

(c) *Breach of representation and warranties*:

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect, in the sole and absolute opinion of the Representative of the Noteholders, when made or deemed to be made; or

(d) *Insolvency:*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(e) *Winding up etc.*:

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

(f) *Unlawfulness*:

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

then, the Representative of the Noteholders:

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under points (b) and (c) above;

(iii) may at its sole and absolute discretion but shall, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to the Servicers, the Rating Agencies, the Swap Counterparty and the Master Servicer) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued thereon and that the Acceleration Order of Priority shall apply.

"**Most Senior Class of Notes**" means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes.

"**Class**" means the Class A1 Notes, the Class A2 Notes, the Class B1 Notes or the Class B2 Notes, as the case may be, and "**Classes**" means all of them.

In the following circumstances:

(i) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or

(ii) in the case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), or

(iii) if, after a Trigger Notice has been served on the Issuer (with a copy

to the Servicers, the Rating Agencies, the Swap Counterparty and the Master Servicer) pursuant to Condition 9 (*Trigger Events*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of the Portfolios to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios.

In addition, following the delivery of a Trigger Notice (a) without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority and (b) provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, "*fallimento*", "*concordato preventivo*" and "*liquidazione coatta amministrativa*", in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law, the Representative of the Noteholders shall be entitled, in the name and on behalf of the Issuer, to sell the Portfolios.

LIQUIDITY RESERVE

Pursuant to the Limited Recourse Loan Agreement each of the Limited Recourse Loan Providers will advance to the Issuer on the Issue Date, by crediting it to the relevant Investment Account, a limited recourse loan to fund the relevant Liquidity Reserve. The Liquidity Reserve will be composed by the BPB Liquidity Reserve and the CRO Liquidity Reserve and (i) the BPB Liquidity Reserve will form part of the BPB Available Funds on each Payment Date, (ii) the CRO Liquidity Reserve will form part of the CRO Available Funds on each Payment Date, (iii) the Liquidity Reserve will form part of the Available Funds on each Payment Date on which the Acceleration Order of Priority applies, and (iv) the Issuer will, on each Payment Date on which the Pre-Acceleration Order of Priority applies and in accordance thereto, credit into each Liquidity Reserve Account an amount equal to the relevant Liquidity Reserve Amount due in respect of such Payment Date.

"**Liquidity Reserve Amount**" means, as applicable, the BPB Liquidity Reserve Amount or the CRO Liquidity Reserve Amount.

"**BPB Liquidity Reserve Amount**" means on the Issue Date and on any Payment Date thereafter prior to the delivery of a Trigger Notice, Euro 20,852,591, *provided that* the BPB Liquidity Reserve Amount will be equal to 0 (zero) on the earlier of (i) the Final Maturity Date, (ii) the Final Redemption Date and (iii) the Payment Date on which the Class A1 Notes are redeemed in full.

"**CRO Liquidity Reserve Amount**" means on the Issue Date and on any Payment Date thereafter prior to the delivery of a Trigger Notice, Euro 5,033,699, *provided that* the CRO Liquidity Reserve Amount will be equal to 0 (zero) on the earlier of (i) the Final Maturity Date, (ii) the Final Redemption Date and (iii) the Payment Date on which the Class A2 Notes

are redeemed in full.

The amount standing to the credit of the Liquidity Reserve Accounts will be made available on each Payment Date to meet payments under items (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority. In addition each relevant Liquidity Reserve Amount available following payment in full of items from (*First*) to (*Sixth*) of the relevant Pre-Acceleration Order of Priority shall be utilised in full towards redemption of the relevant Class A Notes, on the Payment Date on which, by doing so, the relevant Class A Notes can be redeemed in full.

FINAL REDEMPTION

To the extent not otherwise redeemed, the Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on October 2054 (the "**Final Maturity Date**").

The "**Principal Amount Outstanding**" of each of the Notes on any date shall be the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date.

"**Final Redemption Date**" means the earlier to occur between: (i) the date when any amount payable on the Claims of each Portfolio will have been paid, and (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer.

MANDATORY REDEMPTION

The Notes will be subject to mandatory redemption in full or in part:

(A) on each Payment Date, in a maximum amount equal to the relevant Principal Amount Outstanding with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;

(B) (i) on any date following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); and (ii) on the relevant Payment Date in case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or in case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

OPTIONAL REDEMPTION

The Issuer may redeem the Notes in whole but not in part (or only the Rated Notes in whole, if all the Junior Noteholders consent) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, on any Payment Date falling on or after the Initial Clean Up Option Date.

"**Initial Clean Up Option Date**" means the first Payment Date immediately

succeeding the Collection Date on which the aggregate principal outstanding amount of both the Portfolios is equal to or less than 30% (thirty per cent.) of the Initial Principal Portfolio.

Such optional redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor fewer than 15 (fifteen) days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, the Swap Counterparty, the holders of the Rated Notes in accordance with Condition 12 (*Notices*) and to the Rating Agencies and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, has produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other Person, to discharge all its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to or *pari passu* with such Notes and any amount due to the Swap Counterparty (including any termination payment) subordinated to the Rated Notes. In order to finance the redemption of the relevant Notes in the circumstances described above, the Issuer (or the Representative of the Noteholders, acting in the name and on behalf of the Issuer), is entitled to dispose of the Portfolios.

"**Initial Principal Portfolio**" means the aggregate principal outstanding amount of the Portfolios as of the Effective Date, being Euro 862,876,356.12.

REDEMPTION FOR TAXATION

If the Issuer:

1. has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer; and
2. has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days' prior written notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 13 (*Notices*)

to the effect that, following the occurrence of certain legislative or regulatory changes, or official interpretations thereof by competent authorities, the Issuer:

(a) (or the Issuer's Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable

authority having jurisdiction; or

(b) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation;

and

3. in each case the Issuer shall have produced evidence reasonably acceptable to the Representative of the Noteholders that it has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect of the Class A Notes and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with the Class A Notes,

the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Class A Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class A Notes and amounts ranking prior thereto or *pari passu* therewith pursuant to the Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes.

LISTING

Application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the Official List and trading on its regulated market. No application has been made to list the Class B Notes on the Irish Stock Exchange or on any other stock exchange.

RATINGS

The Rated Notes are expected to be assigned, on issue, the following ratings:

Class A Notes	A+sf by Fitch Ratings Ltd and A(high)(sf) by DBRS Ratings Limited

No ratings will be assigned to the Class B Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.

RISK FACTORS

The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

1. THE ISSUER

1.1 LIQUIDITY AND CREDIT RISK

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Borrowers. The Issuer is also subject to the risk of, among other things, default in payments by the Borrowers and the failure of the Servicers to collect and recover sufficient funds in respect of the Portfolios in order to enable the Issuer to discharge all amounts payable under the Notes. In respect of the Rated Notes, these risks are mitigated by the liquidity and credit support provided by (a) the subordination of the Class B Notes (see for further details *"Subordination"* below) and (b) the Liquidity Reserve. However in each case, there can be no assurance that the level of the liquidity support provided by the subordination of the Class B Notes and the Liquidity Reserve (in the case of the Rated Notes) will be adequate to ensure punctual and full receipt of amounts due under the Notes.

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Servicers and the Master Servicer, the Swap Counterparty (or any permitted successors or assignees appointed under the Servicing Agreement and the Swap Agreement) as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

It is not certain that the Servicers and the Master Servicer will duly perform at all times their obligations under the Servicing Agreement and that a suitable alternative Servicer and Master Servicer could be available to service the Portfolios if Banca Popolare di Bari and/or Cassa di Risparmio di Orvieto become insolvent or their appointment under the Servicing Agreement is otherwise terminated. In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicer has been appointed before the Issue Date and, in case of termination of the appointment of Banca Popolare di Bari and/or Cassa di Risparmio di Orvieto under the Servicing Agreement, it shall service the Portfolios and assume and/or perform the duties and obligations of the Master Servicer and the Servicers on the same terms as are provided for in the Servicing Agreement; however it is not certain that, in case of termination of the appointment of Banca Popolare di Bari and/or Cassa di Risparmio di Orvieto under the Servicing Agreement, the Back-Up Servicer will fulfill its obligations to service the Portfolios.

In some circumstances (including after service of a Trigger Notice), the Issuer could attempt to sell the Portfolios, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for asset-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for asset-backed securities is continuing to experience difficulties resulting from, among other factors, reduced investor demand for such securities. This has had a materially adverse impact on

the market value of asset-backed securities and resulted in the secondary market for asset-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have been forced to sell asset-backed securities into the secondary market. The price of credit protection on asset-backed securities through credit derivatives has risen materially. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

It is not known for how long these market conditions will continue and it cannot be assured that these market conditions will not continue to occur or whether they will become more severe.

1.2 ISSUER'S ABILITY TO MEET ITS OBLIGATIONS UNDER THE NOTES

The Issuer will not as of the Issue Date have any significant assets other than the Portfolios and the other Issuer's Rights. The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the extent of collections and recoveries from the Portfolios and any other amounts payable to the Issuer pursuant to the terms of the Transaction Documents to which it is a party.

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

If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights under the Transaction Documents.

1.3 NO INDEPENDENT INVESTIGATION IN RELATION TO THE PORTFOLIOS

None of the Issuer nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolios sold by the Originators to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrower.

None of the Issuer nor any other party to the Transaction Documents (other than the Originators) has carried out any due diligence in respect of the Loan Agreements in order to, without limitation, ascertain whether or not the Loan Agreements contain provisions limiting the transferability of the Claims.

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreement and in the Transfer Agreements. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Claim will be the requirement that the Originators indemnify the Issuer for the damage deriving therefrom or repurchase the relevant Claim in relation to which

a misrepresentation has occurred. In particular, each Originator has, pursuant to the Warranty and Indemnity Agreement, made certain representations and warranties, and undertaken related indemnification obligations, in respect, *inter alia*, of: (i) the validity and existence of the relevant Claims; (ii) the validity, effectiveness and proper execution of the Loan Agreements; (iii) the perfection of the Mortgages; (iv) the validity of the assignment to the Issuer by the Originators of their rights under the insurance policies entered into in connection with the Loan Agreements; and (v) the accuracy with respect to any data provided to the Issuer. See "*The Warranty and Indemnity Agreement*", below. In any case there can be no assurance that the Originators will have the financial resources to honour such obligations.

1.4 CLAIMS OF UNSECURED CREDITORS OF THE ISSUER

By operation of Law 130, the right, title and interest of the Issuer in and to the Portfolios will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to Law 130) and amounts deriving therefrom (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will be available on a winding up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and to pay other costs of the Transaction. Amounts derived from the Portfolios (once, and until, credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will not be available to any other creditors of the Issuer.

In order to ensure such segregation: **(i)** the Issuer is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction; and **(ii)** the Servicers shall be able to individuate at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; **(iii)** the parties to the Transaction have undertaken not to credit to the Accounts amounts other than those set out in the Cash Administration and Agency Agreement.

Moreover, the provisions of article 3 of the Securitisation Law concerning the *patrimonio separato* are not likely to apply in circumstances where the cash-flow referred to above is commingled with the assets of a party other than the Issuer (such as, for example, the Servicers). Thus, if any such party becomes insolvent, any such cash-flow held by it could not be included in the *patrimonio separato*.

No guarantee can be given on the fact that the parties to the Transaction will comply with the law provisions and contractual provisions which have been inserted in the relevant Transaction Documents in order to ensure the segregation of assets. Furthermore, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt. In any case, the corporate object of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transactions that are not contemplated in the Transaction Documents. To the extent that the Issuer has other creditors, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Transaction.

1.5 LIMITED ENFORCEMENT RIGHTS

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders. The Rules of the Organisation

of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of the Noteholders the power to resolve on the ability of any Noteholder to commence any such individual actions.

1.6 RIGHTS OF SET-OFF OF BORROWERS

Under general principles of Italian law, the Borrowers would be entitled to exercise rights of set-off in respect of amounts due under any Claim against any amounts payable by each of the Originators to the relevant assigned Borrower. After publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the Transfer Agreements and registration of the assignment in the register of companies where the Issuer is enrolled (and provided that the relevant Borrower has not accepted the assignment of its debt with an express qualification to maintain a right to set-off, as indicated in certain law cases by the Supreme Court (*Corte di Cassazione*): judgement 5 March 1980, No. 1484 and 16 January 1979, No. 310), the Borrowers shall not be entitled to exercise any set-off right against their claims vis-à-vis each of the Originators which arises after the date of such publication and registration. Under the terms of the Warranty and Indemnity Agreement, each of the Originators has undertaken to indemnify the Issuer against any right of set-off which the Borrowers may exercise vis-à-vis the Issuer with respect to the Claims.

The Italian consumer legislation set forth in the Consolidated Banking Act (i) provides for a more borrower friendly set-off ruling and (ii) attributes to the borrower the right to terminate the loan and receive back any amount paid to the lender (and to any assignee) in case of breach by the supplier of the goods purchased by the borrower out of the loan. In any case, the Originators have represented under the Warranty and Indemnity Agreement none of the Loans is subject to the Italian consumer legislation.

1.7 SERVICING OF THE PORTFOLIOS AND POTENTIAL CONFLICTS OF INTEREST

Pursuant to the Servicing Agreement and as of its date of execution, each of the Servicers will service the relevant Portfolio, except for certain activities in relation to the Defaulted Claims which will be carried out by Banca Popolare di Bari as Master Servicer. The net cash flows from the Portfolios may be affected by decisions made, actions taken and the collection procedures adopted pursuant to the provisions of the Servicing Agreement by the Servicers and the Master Servicer (or any permitted successors or assignees appointed under the Servicing Agreement). In order to mitigate the servicing risk in respect of the Portfolios, the Back-Up Servicer has been appointed before the Issue Date; however it is not certain that, in case of termination of the appointment of Banca Popolare di Bari and/or Cassa di Risparmio di Orvieto under the Servicing Agreement, the Back-Up Servicer will fulfill its obligations to service the Portfolios. For further details see section headed "*The Servicing Agreement and the Back-Up Servicing Agreement*".

The parties to the Transaction Documents perform multiple roles within the Transaction. Accordingly, conflicts of interest may exist or may arise as a result of the parties to this Transaction: (a) having engaged or engaging in the future in transactions with other parties of the Transaction; (b) having multiple roles in this Transaction and/or (c) executing other transactions for third parties. In any case, this risk factor is mitigated by the provisions indicated in the risk factor illustrated in the following paragraph 2.9 (*The Representative of the Noteholders*).

In addition, J.P. Morgan Securities plc (or one of its affiliates) may act as a securities lending counterparty with respect to part or all of the Class A Notes and subject to the Securities Lending Transaction. J.P. Morgan Securities plc (or its affiliate) may exercise voting rights which may have a prejudicial effect on other Noteholders. Actual or potential conflicts may arise between the interests of such entities and the interests of the Issuer and the Noteholders.

1.8 FURTHER SECURITISATIONS

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolios. Pursuant to Article 3 of the Securitisation Law, the assets relating to each individual securitisation transaction will, by operation of law, be segregated from all other assets of the company that purchases the receivables. On a winding up of such company, such assets will only be available to holders of notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by such company in connection with the securitisation of the relevant assets.

The implementation by the Issuer of any such further securitisation is subject to the conditions specified under Condition 3.10 (*Covenants - Further Securitisation*). According to such condition, it is a condition precedent, *inter alia*, to any such securitisation that (i) the Rating Agencies have been notified in writing of the Issuer's intention to carry out a Further Securitisation and (ii) such Further Securitisation would not adversely affect the then current rating of any of the Class A Notes. See Condition 3 (*Covenants*).

1.9 TAX TREATMENT OF THE ISSUER

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 14 February 2006 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell' "Elenco Speciale", degli Imel, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolios will be treated as off-balance sheet assets, liabilities, costs and revenues to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, *i.e.* on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolios. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to Law 130 which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses.

As confirmed by the Italian Tax Authority (Agenzia delle Entrate) Resolution No. 139/E of 17 November 2004, issued in relation to the EU Court of Justice sentence of June 26, 2003 on case C-305/01, the transfer of the Portfolios to the Issuer qualifies as a financial service rendered by the Issuer to the Originators, to be subject to VAT at the zero per cent. rate (operazione *esente* IVA) because it does not represent a mere credit recovery activity which would be subject to VAT at a 21 percent rate. The characterisation of the transfer of Portfolios as a financial service is supported by the evidence that the transfer takes place in the context of a financial transaction where (a) the Originators transfer the Portfolios to the Issuer in order to enable the latter to raise

funds (through the issuance of Notes collateralised by the Portfolios) to be advanced to the Originators as transfer price of the Portfolios; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the Portfolios to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. It is however possible that future rulings, guidelines, regulations or letters of the Italian Tax Authority (Agenzia delle Entrate) or other competent authorities might propose a different interpretation. The Portfolios are not transferred for a consideration due by the Originators to the Issuer, nor at a discount below the face value of the receivables. As a consequence of this and according to Circular No. 32/E of 11 March 2011, the Italian Tax Authority (Agenzia delle Entrate) would argue that the transaction does not qualify for VAT purposes as operazione esente (VAT exempt) and qualify instead as operazione fuori campo (out of the scope of VAT). Should for any reason the Transfer Agreements be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred receivables.

Pursuant to Legislative Decree No. 141/2010 which modified article 3, paragraph 3, of Law 130, the Issuer is not any longer requested to be registered as financial intermediary under article 106 of the Banking Act while it is enrolled in the register for securitization vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011. Agenzia delle Entrate has not changed its tax guidelines and the Issuer has been advised that the current tax regime has not been modified by the new regulations of Bank of Italy.

2. THE NOTES

2.1 LIABILITY UNDER THE NOTES

The Notes are limited recourse obligations of the Issuer and amounts payable thereunder are payable solely from amounts received by the Issuer from or in respect of the Portfolios and the other Issuer's Rights and receipts under the Transaction Documents to which it is or will be a party. On the Issue Date, the Issuer will have no significant assets other than the Portfolios and the other Issuer's Rights. Although the Issuer may issue further notes subject to the terms of the Conditions and to the Agreement between the Issuer and the Quotaholder, the Noteholders will not have any recourse to the assets securing such notes. The Notes will be obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Transaction Bank, the English Transaction Bank, the Servicers, the Master Servicer, the Limited Recourse Loan Providers, the Security Trustee, the Subscribers, the Irish Paying Agent, the Corporate Services Provider, the Computation Agent, the Swap Counterparty or the Principal Paying Agent. No such person accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

2.2 SUBORDINATION

Prior to the delivery of a Trigger Notice (as defined below), with respect to the obligation of the Issuer to pay interest and repay principal on the Notes: (a) the Class A1 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BPB Pre-Acceleration Order of Priority; (b) the Class B1 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A1 Notes in accordance with the BPB Pre-Acceleration Order of Priority; (c) the Class A2 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the CRO

Pre-Acceleration Order of Priority; and (d) the Class B2 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A2 Notes in accordance with the CRO Pre-Acceleration Order of Priority.

Following the delivery of a Trigger Notice (as defined below) with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Rated Notes will rank pari passu and without any preference or priority among themselves and the Class B Notes will rank pari passu and without any preference or priority among themselves but will be subordinated to the Rated Notes in accordance with the Acceleration Order of Priority.

No repayment of principal will be made on any Class B Notes until all principal due on the Class A Notes has been repaid in full.

2.3 YIELD AND PAYMENT CONSIDERATIONS

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Claims (including prepayments).

The yield to maturity of the Notes may be affected by a higher than anticipated prepayment rate under the Claims. Such rate cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing and local and regional economic conditions and recently enacted legislation which simplifies the refinancing of loans and possible future legislations enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments that will occur under the Portfolios.

2.4 PROJECTIONS, FORECASTS AND ESTIMATES

Estimates of the weighted average life of the Rated Notes included herein, together with any other projections, forecasts and estimates in this Prospectus are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results may vary from the projections, and the variations may be material. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

2.5 INTEREST RATE RISK

The Claims have or may have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable under the Rated Notes, may have different fixing mechanism and may be capped to a certain maximum level), whilst the Rated Notes will bear interest at a rate based on Three Month EURIBOR determined on each Interest Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Rated Notes and on the Portfolios.

As a result of such mismatch, an increase in the level of Three Month EURIBOR could adversely impact the ability of the Issuer to make payments on the Rated Notes. To minimize the effect of such interest rate mismatch, the Issuer has entered into ten Swap Transactions (which include four interest rate cap transactions) pursuant to the Swap Agreement. The benefits of the Swap Agreement may not be achieved in the event of the early termination of the Swap Transactions pursuant to the terms of the Swap Agreement, including termination upon the failure of the Swap Counterparty to perform its obligations thereunder.

The Swap Agreement contains certain limited termination events and event of defaults which will entitle either party to terminate the Swap Transactions (see for further details "*Description of the Other Transaction Documents*") and, other than in certain limited circumstances set out in the relevant Order of Priority, swap termination amounts rank senior to payments of interest on and repayment of principal of the Class A Notes. In addition, any collateral transferred to the Issuer by the Swap Counterparty pursuant to the Swap Agreement and any Replacement Swap Premium received by the Issuer from a replacement swap counterparty will not generally be available to the Issuer to make payments to the Noteholders and the Other Issuer Creditors and shall only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments. In case of an early termination of the Swap Agreement, unless one or more comparable swap transactions are entered into, the Issuer may have insufficient funds to make payment under the Notes. In the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general and unsecured creditor of the Swap Counterparty. Consequently, the Issuer will be subject to the credit risk of the Swap Counterparty in addition to the risk of the debtors of the Claims.

As further described in the Swap Agreement, the notional amount with respect to each Swap Transaction will be calculated with reference to the Outstanding Balance of the Claims hedged under the relevant Swap Transaction and not being Defaulted Claims as at the Collection Date immediately preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement), with the exclusion of (i) the prepaid Principal Instalments of those Claims that have been prepaid by the Borrowers or repurchased by the Originator on or prior to such Collection Date, and (ii) the amount of the Principal Instalments due but unpaid as at such Collection Date.

In case the Swap Agreement is terminated early, a termination payment may be due to the Swap Counterparty by the Issuer which may substantially reduce the funds available for payments to the Noteholders.

As of the Issue Date, the interest rate risk arising in connection with approximately 0.13% of the Claims included in the Portfolios is not hedged.

The Swap Agreement does not completely eliminate the interest rate risk related to the Rated Notes as, *inter alia*, (i) part of the Claims are unhedged on the Issue Date, and (ii) further Claims may remain unhedged following variation of the relevant interest rate or renegotiation of certain loans.

2.6 LIMITED NATURE OF CREDIT RATINGS ASSIGNED TO THE RATED NOTES

Each rating assigned by the Rating Agencies is based, among other things, on the Rating Agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolios and the availability of credit enhancement.

The ratings do not address, among others, the following:

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

A rating is not a recommendation to purchase, hold or sell the Rated Notes.

The Rating Agencies may lower their ratings or withdraw their ratings if, in the sole judgment of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. If any

rating assigned to the Rated Notes is lowered or withdrawn, the market value of the Rated Notes may be affected.

2.7 SUITABILITY

Prospective investors should determine whether an investment in the Rated Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Rated Notes and to arrive at their own evaluation of the investment.

Investment in the Rated Notes is only suitable for investors who:

1. have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Rated Notes;
2. have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
3. are capable of bearing the economical risk of an investment in the Rated Notes; and
4. recognise that it may not be possible to dispose of the Rated Notes for a substantial period of time, if at all.

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

Prospective investors in the Rated Notes should not rely on or construe any communication (written or oral) of the Issuer or the Originators as investment advice or as a recommendation to invest in the Rated Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Rated Notes.

No communication (written or oral) received from the Issuer, the Servicers or the Originators or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Rated Notes.

2.8 ABSENCE OF SECONDARY MARKET

There is not at present an active and liquid secondary market for the Rated Notes. The Rated Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Although the application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Rated Notes will develop, or, if a secondary market does develop in respect of any of the Rated Notes, that it will provide the holders of such Rated Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Rated Notes. Consequently, any purchaser of Rated Notes must be prepared to hold such Rated Notes until the final redemption or cancellation.

2.9 THE REPRESENTATIVE OF THE NOTEHOLDERS

The Conditions and the Intercreditor Agreement contain provisions regarding the fact that the

Representative of the Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion, have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified. Regardless of any conflict of interest between the Noteholders and the Other Issuer Creditors, pursuant to Condition 3.7 any amendment, termination discharge or waiver to any Transaction Document that may affect the amount, timing or priority of any payments due from either party under the Swap Agreement, shall be notified to and will be subject to the prior written approval of the Swap Counterparty.

2.10 SUBSTITUTE TAX UNDER THE NOTES

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed *"Taxation in the Republic of Italy"* of this Prospectus, be subject to a Law 239 Deduction. In such circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Law 239 Deduction. At the date of this Prospectus, such Law 239 Deduction, if applicable, is levied at the rate of 20 per cent. or such lower rate as may be applicable under the relevant double taxation treaty.

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

2.11 EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures.

Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree, subject to a number of important conditions being met, with respect to interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another EU Member State or in a dependent or associated territory under the relevant international agreement, Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent

establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information of the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

The same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date.

2.12 CHANGE OF LAW

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

3. GENERAL RISKS

3.1 LOANS' PERFORMANCE

Each Portfolio is comprised of performing mortgage loans and unsecured loans governed by Italian law. The Portfolios have characteristics that show the capacity to produce funds to service payments due on the Notes. However, there can be no guarantee that the Borrowers will not default under such Loans and that they will continue to perform their relevant payment obligations. The recovery of amounts due in relation to any defaulted claims will be subject to effectiveness of enforcement proceedings in respect of the Portfolios which, in the Republic of Italy, can take a considerable time depending on the type of action required and where such action is taken, as well as depend on several other factors.

These factors include the following: proceedings in certain courts involved in the enforcement of mortgage loans and mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two (2) or three (3) years. For the Republic of Italy as a whole, it takes an average of six (6) to seven (7) years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any assets. In this respect, it is to be taken into account that Italian Law No. 302 of 3 August 1998 ("*Norme in tema di espropriazione forzata e di atti affidabili ai notai*") (the "**Law No. 302**") has allowed notaries to conduct certain stages of the foreclosure procedures in place of the courts and that by means of Law No. 80 of 14 May 2005 ("*Conversione in legge, con modificazioni, del decreto-legge 14 marzo 2005, n. 35, recante disposizioni urgenti nell'ambito del Piano di azione per lo sviluppo economico, sociale e territoriale. Deleghe al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Loans comprised in the Portfolios cannot be fully assessed. See "*Selected Aspects of Italian Law*".

3.2 RISK OF LOSSES ASSOCIATED WITH BORROWERS

General economic conditions and other factors have an impact on the ability of Borrowers to

repay Loans. Loss of earnings, illness, divorce, decrease in turnover, increase in operating or in financial costs and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers, which may lead to a reduction in Loans payments by such Borrowers and could reduce the Issuer's ability to service payments on the Notes.

The Loans have been entered into, *inter alia*, with Borrowers which are individuals or commercial entrepreneurs (*imprenditore che esercita un'attività commerciale*). In any case some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") and as such may be subject to insolvency proceedings (*procedure concorsuali*) under the Bankruptcy Law.

In the event of insolvency, prepayments made by a Borrower (to the extent the same is subject to the Bankruptcy Law) under the relevant Loan Agreement may be declared ineffective pursuant to article 65 of the Bankruptcy Law ("**Article 65**") which provides that a payment of a debt not yet due and payable, which falls due and payable on or after the date of declaration of bankruptcy of a debtor is ineffective towards the creditors of the bankruptcy estate if such payment is made by the debtor in the two years preceding the declaration of bankruptcy (including, accordingly, any prepayments made under a mortgage loan agreement).

While the Securitisation Law provides that claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by assigned debtors to the Issuer in respect of the securitised Claims, it does not contain any specific exemption provisions in respect of Article 65.

However according to the judgment by the Court of Verbania dated 13 August 1999 (published in "*Il Fallimento*", 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, but rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgment No. 20005/2005, the "*injustice of turning a secured claim into a non-secured claim*".

In this regard, it has to be noted that a case from the Italian Supreme Court (judgment no. 19978 of July 18th 2008) has stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the borrower by specific provisions of law.

In general, with respect to the insolvency proceedings, due to the complexity of these procedures, the time involved and the possibility for challenges and appeals by the debtor and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of outstanding amounts under the Loans or that such proceedings would be concluded before the stated maturity of the Notes. For further details see section headed "*Selected Aspects of Italian Law*".

3.3 REAL ESTATE INVESTMENTS

A portion of the Loans are secured by Real Estate Assets and subject to the risks inherent in investments in or secured by real property, which has not been revalued for the purposes of the Transaction. Such risks include adverse changes in national, regional or local economic and demographic conditions in Italy and in real estate values generally as well as in interest rates, real estate tax rates, other operating expenses, inflation and the strength or weakness of Italian national, regional and local economies, the supply of and demand for properties of the type involved, zoning laws or other governmental rules and policies (including environmental restrictions and changes in land use) and competitive conditions (including construction of new competing properties) all of which may affect the value of the Real Estate Assets and the collections and recoveries generated by them.

The performance of investments in real estate has historically been cyclical. There is a possibility of losses with respect to the Real Estate Assets for which insurance proceeds may not be adequate or which may result from risks that are not covered by insurance. As with all properties, if reconstruction (for example, following destruction or damage by fire or flooding) or any major repair or improvement is required to be made to a Real Estate Asset, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the owner to effect such reconstruction, major repair or improvement. Any of these events would affect the amount realised with respect to the relevant portion of the Loans, and consequently, the amount available to make payments on the Notes.

3.4 INSURANCE POLICIES

The Claims sold by each of the Originators include also the claims arising from the benefits and rights deriving from any Insurance Policies entered into with respect to the Claims, if any. Please refer to the sections entitled "*Description of the Transfer Agreement*" and "*Description of the Warranty and Indemnity Agreement*".

Credit Insurance Policies and Disability and Life Insurance Policies are entered into by and between the Insurance Company, the Originators and/or the relevant Borrowers.

Real Estate Insurance Policies are entered into between the relevant Borrower (or the third party granting the Mortgage) and an Insurance Company.

Under the Warranty and Indemnity Agreement, each of the Originators has warranted that the Insurance Policies name the relevant Originator either as the direct or indirect beneficiary of any indemnity to be paid thereunder (the "**Indemnities**") or as agent to collect amounts (*mandatario all'incasso*) pursuant to Mandates (*mandati all'incasso*) released to guarantee certain Claims, or as a beneficiary of an appendix (*appendice di vincolo*) granting to it the right to receive the relevant Indemnities. Pursuant to the Transfer Agreement, the benefits and rights deriving from any Insurance Policies or Mandates are transferred to the Issuer.

However, there can be no guarantee that the Insurance Companies will perform their respective obligations under the relevant Insurance Policy.

3.5 ITALIAN USURY LAW

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the "**Usury Thresholds**") (the latest of such decrees having been issued on 26 September 2012).

In addition, even though the applicable Usury Thresholds are not exceeded, interests and other advantages and/or remunerations might be held usurious if: (i) they are disproportionate to the

sum lent (taking into account, in evaluating such condition, the specific terms and conditions of the transaction and the average rate usually applied to similar transactions); and (ii) the person who paid or accepted to pay the relevant amounts was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

On 29 December 2000, the Italian Government issued law decree No. 394 ("*Interpretazione autentica della legge 7 marzo 1996, n. 108*") (the "**Decree 394/2000**"), turned into Law No. 24 of 28 February 2001 ("*Conversione in legge, con modificazioni, del decreto-legge 29 dicembre 2000, n. 394, concernente interpretazione autentica della legge 7 marzo* 1996, *n. 108, recante disposizioni in materia di usura*"), which clarified the uncertainty over the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Thresholds at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. Decree 394/2000 also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

The Italian Constitutional Court (*Corte Costituzionale*) has rejected, with decision No. 29/2002 (deposited on 25th February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed upon between the borrower and the lender and not as at the time such rates are actually paid by the borrower.

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, each Originator has represented and warranted to the Issuer, *inter alia*, that the terms and conditions of each Loan are, and the exercise by the relevant Originator of its rights thereunder is, in each case, in compliance with all applicable laws and regulations including, without limitation, all laws and regulations relating to banking activity, *credito fondiario*, usury and personal data protection provisions in force at the time, as well as in compliance with the internal procedures from time to time adopted by the relevant Originator. See "*Description of the Warranty and Indemnity Agreement*".

3.6 COMPOUNDING OF INTEREST (*ANATOCISMO*)

According to article 1283 of the Italian Civil Code, in respect of a monetary claim, interests accrued for at least six months can be capitalized and provided that the capitalization has been agreed after the date when they have become due or from the date when the relevant legal proceedings are commenced in respect of that monetary claim, save there are no contrary recognized customary practices (*usi*). Banks in Italy have traditionally capitalized accrued interests on a quarterly basis on the grounds that such practice could be characterized as a customary practices. Certain recent judgments from Italian Courts (including Judgments No. 2374/99 and No. 2593/03 of the Italian Supreme Court) have held that such practice do not meet the legal definition of customary practices. In this respect, it should be noted that article 25, paragraph 2, of the Decree No. 342 (the "**Decree**") has delegated to the Interministerial Committee of Credit and Saving (the "**CICR**") powers to fix the conditions for the capitalization of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a Resolution dated 9

February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of the Decree provides that the provisions relating to the capitalization of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Such Decree has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the Legge Delega, and article 25 paragraph 3 of the Decree has been declared unconstitutional by decision No. 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

With respect to this matter, a recent ruling dated 29 October 2008 by the Court of Bari (honorary judge of the detached office of Rutigliano) declared some mortgage loan agreements (executed in 1988 and 1989) that were based upon the amortisation method known as "*French amortisation*" (i.e. mortgage loans with fixed instalments, made up of an amount of principal (that progressively increases) and an amount of interest (that decreases as repayments are made) calculated with a compound interest formula, as partially void.

In the case at hand, the technical consultancy requested by the judge showed that the instalments were calculated with a compound interest formula not expressly stated in the agreement, and that from the application of such formula the effective interest was higher than the nominal interest. The debtors were not able to realise, therefore, at the time of execution of the relevant mortgage loans, the effective high interest to be paid, as the nominal annual interest was that resulting from the agreement while the effective interest could only be inferred from time to time on the basis of the amortisation plan. Considering that the calculation of compound interest is permitted only within the limits of article 1283 of the Italian Civil Code, as described above (i.e. the compounding has to follow the maturation of interest and never to precede it, as occurs in such French amortisation), the judge declared that the relevant mortgage loans were partially void and recalculated the amortisation plans with reference to the applicable legal rate, so determining an interest rate lower than to that paid by the debtors.

Under the terms of the Warranty and Indemnity Agreement, the Originators have undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the Claims. See "Description of the Warranty and Indemnity Agreement".

3.7 THE SECURITISATION LAW

As of the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by Italian governmental or regulatory authorities; therefore, it is possible that further regulations, relating to the Securitisation Law or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus.

3.8 CLAW-BACK OF THE SALE OF THE PORTFOLIOS

A transfer pursuant to the Securitisation Law may be subject to a claw-back action of such sale by a liquidator of the transferor: (i) if the sale is not undervalued, within three months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the liquidator can

prove that the transferee was, or ought to have been, aware of such insolvency; or (ii) if the sale is undervalued, within six months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the transferee cannot prove that it was not, or ought not to have been, aware of such insolvency.

Accordingly, if the Originators were insolvent at the date of the execution of the relevant Transfer Agreement and the Issuer was, or ought to have been, aware of such insolvency, the relevant transfer may, in certain circumstances, be subject to claw-back by a liquidator of the Originators. Under the Warranty and Indemnity Agreements, each of the Originators has represented that it was solvent as of the date of the transfer, and that such representations shall deemed to be repeated as of the Issue Date by the relevant Originator, and that all appropriate solvency certificates have been obtained as of the date of the transfer of the Portfolios.

3.9 MUTUI FONDIARI

The Mortgage Loans include, *inter alia*, mortgage loans qualifying as *mutui fondiari*. In addition to the general legislation commonly applicable to mortgage lending, *mutui fondiari* are regulated by specific legislation (*credito fondiario*), which grants certain rights to the borrower and the mortgage lender which are not provided for by the general legislation. For further details see section headed "*Selected aspects of Italian law - Mutui fondiari*".

3.10 ARTICLE 120-TER OF THE CONSOLIDATED BANKING ACT

Article 120-ter of the Consolidated Banking Act provides that any provisions imposing a prepayments penalty in case of early redemption of the loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities. For a description of the main terms of the article 120-ter of the Consolidated Banking Act, see section headed "*Selected aspects of Italian law –Article 120-ter of the Consolidated Banking Act*".

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

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "***Clausola di Salvaguardia***") in relation to those loan

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

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

Prospective Noteholders' attention is drawn to the fact that, as a result of the entry into force of the Prepayment Penalty Agreement, the rate of prepayment in respect of the Loans can be higher than the one traditionally experienced by each of the Originators for the loans and that the Issuer may not be able to recover the prepayment fees in the amount originally agreed with the Borrowers.

3.11 ARTICLE 120-QUATER OF THE CONSOLIDATED BANKING ACT

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code (*surrogato per volontà del debitore*) in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (*atto di surrogazione*) to be made in the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within thirty days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the Loan Agreements might materially increase; such event might therefore have an impact on the yield to maturity of the Notes.

3.12 CONVENTION BETWEEN THE MINISTRY OF ECONOMY AND FINANCE, THE ITALIAN BANKING ASSOCIATION AND ASSOCIATIONS OF THE REPRESENTATIVE OF THE COMPANIES

On 3 August 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies striked by the financial crisis (the "**PMI Convention**").

The Convention provides, *inter alia*, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on 30 September 2008 were solvent (*in bonis*), and (ii) at the moment of the submission of the request, had no financings classified as "*restructured*" (*ristrutturato*) or as "*non-performing*" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted prior to 30 June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies extended the date prior to which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended.

ABI has clarified on one hand that securitised claims have not been expressly excluded from the object of the Convention and that assigning banks have to do any reasonable effort to satisfy the requests for Suspension also in respect of securitized claims.

Furthermore, on 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium and long term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes, the impact on the cash flows deriving from the Loans and, consequently, on the amortisation of the Notes, cannot be predicted.

The Originators have acceded to the New PMI Convention.

3.13 RECHARACTERISATION OF ENGLISH LAW FIXED SECURITY INTERESTS

There is a possibility that an English court could find that the fixed security interests expressed to be created by the Deed of Charge governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative.

Where the Issuer is free to deal with the secured assets, or any proceeds received on realisation of the secured assets, without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, amongst other things, on whether the Representative of the Noteholders (acting as security trustee) has the requisite degree of control over the Issuer's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Representative of the Noteholders in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors (if any) of the Issuer in respect of that part of the net property of the Issuer which is ring fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the Issuer may have priority over the rights of the Representative of the

Noteholders to the proceeds of enforcement of such security. In addition, the expenses of an administration would also rank ahead of the claims of the Representative of the Noteholders as floating charge holder.

A receiver appointed by the Representative of the Noteholders would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Other Issuer Creditors and the Noteholders. Following the coming into force of the insolvency provisions of the Enterprise Act 2002, the only remaining categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production.

If the Representative of the Noteholders was prohibited from appointing an administrative receiver by virtue of the amendments made to the Insolvency Act 1986 by the Enterprise Act 2002, or failed to exercise its rights to appoint an administrative receiver within the relevant notice period and the Issuer were to go into administration, the expenses of the administration would also rank ahead of the claims of the Representative of the Noteholders as floating charge holder.

Furthermore, in such circumstances, the administrator would be free to dispose of floating charge (and fixed charge) assets without the leave of the court, although the Representative of the Noteholders would have the same priority in respect of the property of the company representing the proceeds of disposal of such floating charge assets, as it would have had in respect of such floating charge assets.

3.14 THE "ANTI-DEPRIVATION" PRINCIPLE

The validity of contractual priorities of payments such as those contemplated in this transaction (the Orders of Priority) has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd* 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions. This was further supported in *Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc 2011 UKSC 38*, in which the Supreme Court upheld the priority provisions at issue in determining that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments were an essential part of the transaction understood by the parties and did not contravene the anti-deprivation principle.

The U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the decision of the US Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of England and Wales in the Belmont case as referred to above and therefore uncertainty remains as

to how a conflict of the type referred to above would be resolved by the courts. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

3.15 FORWARD-LOOKING STATEMENTS

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

3.16 REGULATORY CAPITAL FRAMEWORK

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

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as "**CRD IV**") have been presented on 20 July 2011. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing

measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

3.17 CLASS A NOTES AS ELIGIBLE COLLATERAL FOR ECB LIQUIDITY AND/OR OPEN MARKET TRANSACTION

After the Issue Date an application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank (ECB) on September 2011 (*The implementation of monetary policy in the Euro area*) and on August 2012 *(Additional temporary measures relating to Eurosystem refinancing operation and eligibility of collateral*), as subsequently amended and supplemented, for liquidity and/or open market transactions carried out with such central bank. In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for liquidity and/or open market transactions rests with the relevant central bank.

None of the Issuer, the Originators or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.

3.18 REGULATORY INITIATIVES MAY RESULT IN INCREASED REGULATORY CAPITAL REQUIREMENTS AND/OR DECREASED LIQUIDITY IN RESPECT OF THE NOTES

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer or the Originators makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a of the Capital Requirements Directive ("**Article 122a**") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set

out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Article 122a and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

With respect to the fulfillment by the Originators of the requirements of the Article 122a please refer to Section "*Compliance with Article 122a of the CRD*".

3.19 MACRO-RISKS IN THE EUROPEAN UNION

Global markets and economic conditions have been negatively impacted in 2010 and 2011 by market perceptions regarding the ability of certain EU member states to service their sovereign debt obligations. As a result of the credit crisis in the EU, monetary and political conditions and stability remain uncertain in the EU, in particular, in a number of the euro-zone members, including Greece, Italy, Ireland, Portugal and Spain. In particular concerns persist regarding the debt burden of certain Eurozone Countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time.

In addition these potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes or have other unforeseen consequences relevant to the Noteholders. These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of the parties to the Transaction. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations.These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

3.20 U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT WITHHOLDING

The U.S. Foreign Account Tax Compliance Act ("**FATCA**") generally imposes a new reporting regime and potentially a 30.00 per cent withholding tax with respect to certain payments to certain non-U.S. financial institutions (including entities such as the Issuer) that do not enter into and comply with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information about the holders of its debt or equity. The new withholding regime will be phased in

beginning in 2014.

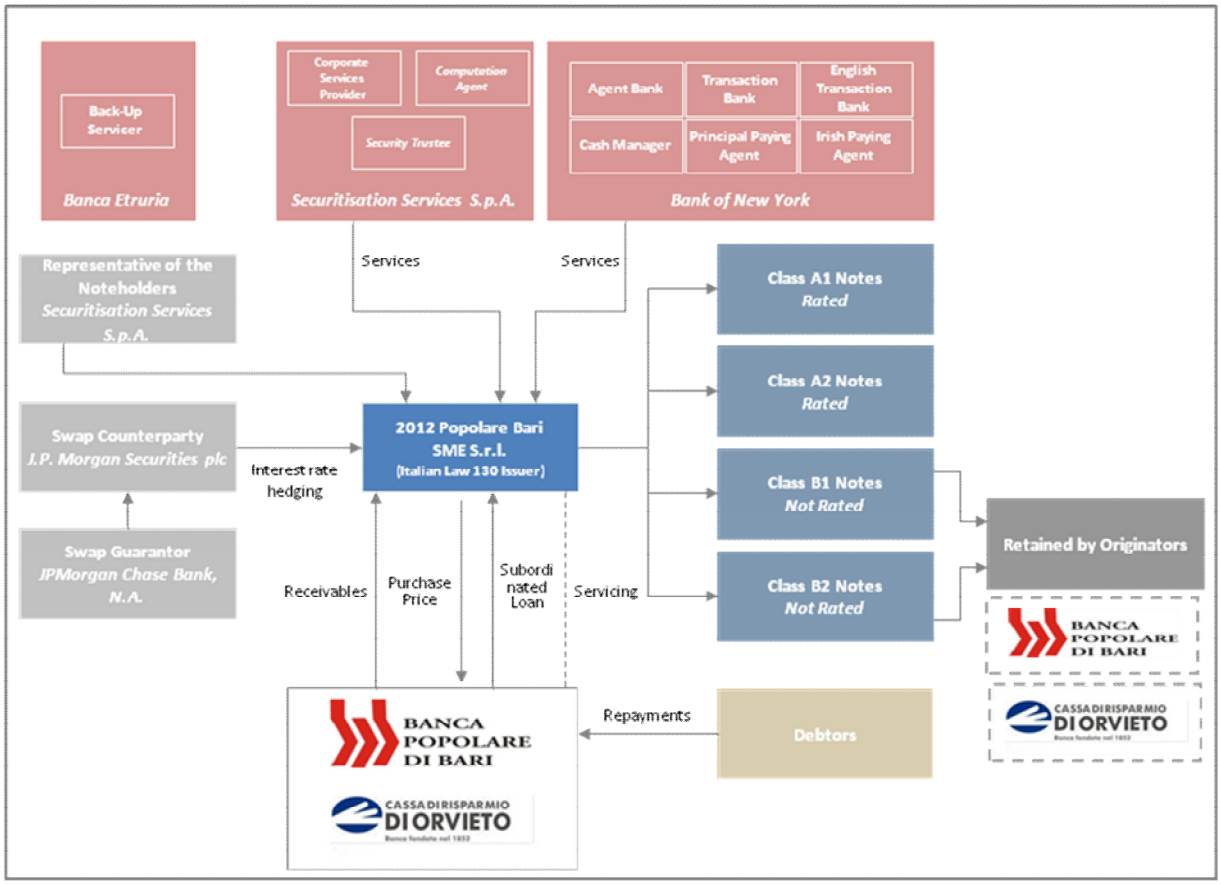
In particular, this withholding tax may be triggered if (i) the issuer is a foreign financial institution ("**FFI**") (as defined by FATCA), which enters into and complies with an agreement with the IRS to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the issuer a "participating FFI"), (ii) any payment by the issuer is considered to be attributable to any U.S. source "withholdable payment" to the issuer, and (iii) (a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of such issuer, or (b) any FFI through which payment on the notes or other payments are made is not a participating FFI.

The application of FATCA is not yet clear and therefore is unclear how the FATCA reporting and withholding regime may affect interest, principal or other amounts due under the Notes or any payment to be made by any paying agent or any other Party to this Transaction. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest or principal on the Notes or other payments from a Party to this Transaction as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions or any other Transaction Documents, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Holders of notes should consult their own tax advisors about the application of FATCA and on how the above rules may apply to, or affect, payments to be received under the Notes or any other payments to be made by the Parties to this Transaction.

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

TRANSACTION DIAGRAM



THE PORTFOLIOS

The Portfolios purchased by the Issuer comprise debt obligations arising out of mortgage loans and unsecured loans classified as performing by the relevant Originator. It is not provided for in the Transaction Documents the possibility to assign further portfolios of mortgage loans to the Issuer.

SELECTION CRITERIA OF THE CLAIMS

The Claims included in the Portfolios have been selected on the basis of the following objective criteria (the "**Criteria**") as at both the Valuation Dates (or, if specified in the relevant Criteria, as at exclusively one of the Valuation Dates, or the different date specified in the relevant criterion), in order to ensure that the Claims have the same legal and financial characteristics.

The Originator represents and warrants that the Claims comply with the following Criteria:

(i) Loans denominated in Euro and deriving from Loan Agreements not including provisions allowing their conversion into a different currency;

(ii) Loans deriving from Loan Agreements governed by Italian law;

(iii) Loans whose relevant Borrower, in compliance with the selection criteria set forth by the circular letter of the Bank of Italy No. 140 of 11 February 1991 as subsequently amended and supplemented (*Istruzioni relative alla classificazione della clientela per settori e gruppi di attività economica*), fall within the following SAE activity sectors (S*ettore di Attività Economica*): No. 430 (*Imprese produttive*), No. 431 (*Holding private*), No. 450 (*Associazioni fra imprese non finanziarie*), No. 480 (*Quasi-società non finanziarie artigiane – Unità o società con 20 o più addetti*), No. 481 (*Quasi-società non finanziarie artigiane – Unità o società con più di 5 e meno di 20 addetti*), No. 482 (*Quasi-società non finanziarie artigiane – Società con meno di 20 addetti*), No. 490 (*Quasi-società non finanziarie altre – Unità o società con 20 o più addetti*), No. 491 (*Quasi-società non finanziarie altre – Unità o società con più di 5 e meno di 20 addetti*), No. 492 (*Quasi-società non finanziarie altre – Società con meno di 20 addetti*), No. 614 (*Artigiani*), No. 615 (*Altre famiglie produttrici*);

(iv) Loans granted to small and medium-sized enterprises (as defined in the guidelines issued by the European Central Bank on 2 August 2012 relating to temporary and supplementary measures on the refinancing operations of the Eurosystem and on the suitability of the guarantees) which have been incorporated pursuant to Italian law and with registered office in Italy;

(v) Loans in relation to which at least one Instalment (also including only the interest quota) has been paid;

(vi) Loans in relation to which, as at the Valuation Date of the 31 May 2012 there was no more than one Instalment due and unpaid, and in any case, if existing, such unpaid Instalment was not due for more than 59 days;

(vii) Loans whose relevant Borrower as at both the Valuation Dates as well as at the 31 July 2012 or the 5 October 2012 were classified by the relevant Originator as *in bonis* pursuant to the regulations issued by the Bank of Italy;

(viii) Loans having the maturity date falling after the 30 September 2012;

(ix) Loans whose principal amount outstanding as at the Valuation Date of the 31 May 2012 is equal to or higher than 10,000 (ten thousands) and lower than Euro 7,500,000 (seven millions and five hundred thousands);

(x) Loans fully disbursed, for which there is no obligation to, neither is possible to, disburse any

further amount (excluding, thus, loans whose further disbursements are based on SAL ("*Stato avanzamento lavori*");

(xi) Loans which as at the Valuation Date of the 15 September 2012 as well as at the 14 October 2012 do not hold any due and unpaid Instalment;

(xii) Loans whose Borrowers and Guarantors are resident (if individuals) or incorporated (if legal entities) in a state member of the European economic space.

(xiii) With reference to the splitted up Loans (*mutui frazionati*) not yet taken over (*accollati*) as at the 14 October 2012, Loans in relation to which as at the 14 October 2012 all the other splitted up quota (*quote frazionate*) do not held any due and unpaid instalment;

Excluding:

(i) loans granted to persons qualified as directors and/or employees of the relevant Originator and/or of subsidiaries of the relevant Originator;

(ii) loans disbursed by a group of banks organized "in pool" or which have been subject to syndication;

(iii) loans deriving from loan agreements pursuant to any Italian law provisions allowing any contributions, profits or facilities of whatever kind (the so-called "*mutui agevolati*" and "*mutui convenzionali*") on principal and/or interest account, granted by a third party in favour of the relevant borrower;

(iv) loans with reference to which, as at the Valuation Date of the 31 May 2012, the relevant borrowers benefits of a moratorium agreement providing for the suspension of payment of the instalment (entirely or only with respect to the principal quota) with respect to the original amortization plan of the relevant loan;

(v) loans with reference to which, as at the 30 September 2012 (included), the relevant borrower benefits or benefited of a moratorium agreement providing for the suspension of payment of the instalments with respect to the original amortization plan of the relevant loan;

(vi) loans with mixed interest rate (*tasso d'interesse misto o modulare*), which provide for (i) the change into a floating interest rate, following an initial period in which the interest rate is calculated with respect to a fixed interest rate or (ii) the option for the relevant borrower to choose either a fixed or a floating interest rate, following an initial period in which the interest rate is calculated with respect to a fixed interest rate;

(vii) loans disbursed with funding made available by Cassa Depositi e Prestiti S.p.A.;

(viii) in relation to the loans disbursed by Cassa di Risparmio di Orvieto, loans secured by Consorzi di Garanzia Collettiva Fidi pursuant to the following agreement: (i) Fidindustria Umbria – Consorzio Garanzia Collettiva Fidi – Terni; (ii) Cooperativa di Garanzia fra gli Artigiani della Provincia di Terni and (iii) Centrofidi Terziario Scpa - Firenze;

(ix) loans disbursed pursuant to agreement entered into between the relevant Originator and anti-usury funds (*fondi anti usura*);

(x) loans which as at the Valuation Date of the 31 May 2012 as well as at the 14 October 2012 are qualifiable as restructured claims (*crediti ristrutturati*) pursuant to the relevant regulations issued by the Bank of Italy.

The following tables describe the characteristics of the Portfolios as an aggregate of the single Portfolio compiled from information provided by the Originators in connection with the acquisition of the Claims

by the Issuer on 26 October 2012. The information in the following tables reflects the position as at the Effective Date. The characteristics of the Portfolios as at the Effective Date and as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment or repurchase of Loans prior to, respectively, the Effective Date and the Issue Date (in relation to the Real Estate Assets backing the Claims, there has been no revaluation of such properties for the purpose of the issue of the Notes and the valuations quoted are as at the date of the original initial loan origination).

Unless stated otherwise, in the following range breakdown tables the lower boundary is intended included, the upper boundary is intended excluded. In the following range breakdown tables, numbers might not add up to total shown due to rounding.

Summary	Banca Popolare di Bari	Cassa Risparmio Orvieto	**TOTAL**
Portfolio Initial Nominal Value (€)	695,086,375	167,789,981	862,876,356
No. of Mortgage Facilities	4,558	1,099	5,657
No. of Borrowers	3,747	918	4,665
Average Initial Nominal Value (€)	152,498	152,675	152,533
Largest Initial Nominal Value (€)	6,308,344	4,187,105	6,308,344
Smallest Initial Nominal Value (€)	2,137	4,638	2,137
Fixed Rate Initial Nominal Value (€)	149,595,961	21,241,634	170,837,595
Floating Rate Initial Nominal Value (€)	545,490,414	146,548,348	692,038,761
Original Nominal Value (€)	1,004,825,413	237,543,950	1,242,369,362
Total Property Value (€)	994,781,966	263,606,781	1,258,388,747
Highest Current Loan to Value (%)	97.83%	88.73%	97.83%
Weighted Average Current Loan to Value (%)*	49.51%	49.54%	49.52%
Weighted Average Original Loan to Value (%)*	61.05%	59.64%	60.75%
Weighted Average Seasoning (years)	3.03	3.08	3.04
Weighted Average Residual Life (years)	9.40	11.30	9.77
Longest Maturity (date)	31/12/2042	31/07/2042	31/12/2042
Weighted Average Spread (%)	1.80%	1.89%	1.82%
Weighted Average fixed rate (%)	5.41%	5.25%	5.39%
Weighted Average interest rate cap (%)	7.19%	6.13%	7.10%

** Only first lien mortgages*

Initial Nominal Value	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-100,000	148,180,507	17.17%	3,685	65.14%
100,000-200,000	139,580,246	16.18%	980	17.32%
200,000-300,000	90,056,043	10.44%	370	6.54%
300,000-400,000	69,752,950	8.08%	199	3.52%
400,000-500,000	49,702,948	5.76%	111	1.96%
500,000-1,000,000	139,329,360	16.15%	201	3.55%
1,000,000-1,500,000	62,266,680	7.22%	50	0.88%
1,500,000-2,000,000	27,521,277	3.19%	16	0.28%
2,000,000-2,500,000	39,938,740	4.63%	18	0.32%
2,500,000-3,000,000	26,823,641	3.11%	10	0.18%
3,000,000-4,000,000	30,382,247	3.52%	9	0.16%
4,000,000-5,000,000	21,713,042	2.52%	5	0.09%
5,000,000-6,000,000	5,315,577	0.62%	1	0.02%
6,000,000-7,000,000	12,313,098	1.43%	2	0.04%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Original Nominal Value	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-100,000	90,388,302	10.48%	2,764	48.86%
100,000-200,000	118,018,220	13.68%	1,271	22.47%
200,000-300,000	93,151,691	10.80%	590	10.43%
300,000-400,000	57,100,619	6.62%	267	4.72%
400,000-500,000	49,343,656	5.72%	164	2.90%
500,000-1,000,000	163,938,730	19.00%	392	6.93%
1,000,000-1,500,000	72,401,688	8.39%	94	1.66%
1,500,000-2,000,000	46,241,002	5.36%	41	0.72%
2,000,000-2,500,000	34,817,615	4.04%	23	0.41%
2,500,000-3,000,000	32,558,979	3.77%	15	0.27%
3,000,000-4,000,000	45,151,785	5.23%	21	0.37%
4,000,000-5,000,000	21,282,934	2.47%	7	0.12%
5,000,000-6,000,000	16,947,342	1.96%	4	0.07%
6,000,000-7,000,000	4,237,028	0.49%	1	0.02%
7,000,000-8,000,000*	6,004,755	0.70%	1	0.02%
>8,000,000	11,292,012	1.31%	2	0.04%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

***Referred to this item the upper boundary is intended included*

Funding Year	Current Balance	Current Balance %	Number of Loans	Number of Loans %
1996	18,547	0.00%	1	0.02%
1998	207,153	0.02%	6	0.11%
1999	1,650,120	0.19%	23	0.41%
2000	3,496,263	0.41%	24	0.42%
2001	3,680,894	0.43%	46	0.81%
2002	8,296,921	0.96%	64	1.13%
2003	15,529,462	1.80%	140	2.47%
2004	17,731,291	2.05%	172	3.04%
2005	21,162,240	2.45%	175	3.09%
2006	37,015,982	4.29%	204	3.61%
2007	51,617,431	5.98%	290	5.13%
2008	68,068,031	7.89%	418	7.39%
2009	147,222,438	17.06%	941	16.63%
2010	175,674,154	20.36%	1,295	22.89%
2011	241,367,866	27.97%	1,503	26.57%
2012	70,137,564	8.13%	355	6.28%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Maturity	Current Balance	Current Balance %	Number of Loans	Number of Loans %
2012-2014	49,470,078	5.73%	997	17.62%
2015-2017	194,610,318	22.55%	1,762	31.15%
2018-2020	173,094,604	20.06%	988	17.47%
2021-2023	154,436,344	17.90%	697	12.32%
2024-2026	148,647,416	17.23%	574	10.15%
2027-2029	52,096,188	6.04%	159	2.81%
2030-2032	32,084,267	3.72%	133	2.35%
2033-2035	15,386,189	1.78%	55	0.97%
2036-2038	4,466,072	0.52%	28	0.49%
2039-2040	4,240,633	0.49%	35	0.62%
2041-2042	34,344,248	3.98%	229	4.05%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Original Term (years)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-5	45,382,083	5.26%	717	12.67%
5-10	196,089,695	22.73%	1,868	33.02%
10-15	246,860,469	28.61%	1,395	24.66%
15-20	253,019,493	29.32%	1,054	18.63%
20-25	66,698,728	7.73%	280	4.95%
25-30	21,027,815	2.44%	128	2.26%
30-32	33,798,074	3.92%	215	3.80%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Residual Life (years)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-5	224,781,960	26.05%	2,676	47.30%
5-10	291,985,047	33.84%	1,596	28.21%
10-15	221,515,194	25.67%	802	14.18%
15-20	65,926,150	7.64%	235	4.15%
20-25	19,627,538	2.27%	80	1.41%
25-30*	38,776,467	4.49%	267	4.72%
>30	264,000	0.03%	1	0.02%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

***Referred to this item the upper boundary is intended included*

Seasoning (years)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-2	365,208,434	42.32%	2,182	38.57%
2-4	285,141,200	33.05%	2,025	35.80%
4-6	117,276,978	13.59%	650	11.49%
6-8	49,761,261	5.77%	376	6.65%
8-10	30,688,194	3.56%	280	4.95%
10-12	10,126,256	1.17%	96	1.70%
12-14	4,531,354	0.53%	43	0.76%
14-16	124,133	0.01%	4	0.07%
16-18	18,547	0.00%	1	0.02%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Current Loan to Value* (%)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-10	4,398,975	0.87%	114	4.74%
10-20	21,552,506	4.28%	223	9.27%
20-30	51,528,699	10.24%	346	14.38%
30-40	96,470,021	19.17%	433	18.00%
40-50	85,537,382	17.00%	375	15.59%
50-60	93,384,069	18.56%	302	12.55%
60-70	61,157,271	12.15%	251	10.43%
70-80	62,916,445	12.50%	268	11.14%
80-90	25,435,326	5.06%	89	3.70%
90-100	768,938	0.15%	5	0.21%
Grand Total	**503,149,632**	**100.00%**	**2,406**	**100.00%**

** Only for first lien mortgages*

Original Loan to Value* (%)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-10	0	0.00%	0	0.00%
10-20	0	0.00%	0	0.00%
20-30	17,426,125	3.46%	146	6.07%
30-40	42,940,567	8.53%	270	11.22%
40-50	101,272,967	20.13%	437	18.16%
50-60	81,705,183	16.24%	370	15.38%
60-70	86,250,623	17.14%	392	16.29%
70-80	88,514,263	17.59%	360	14.96%
80-90	81,191,541	16.14%	407	16.92%
90-100	3,848,364	0.76%	24	1.00%
Grand Total	**503,149,632**	**100.00%**	**2,406**	**100.00%**

** Only for first lien mortgages*

Frequency of Payment	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Monthly	508,216,722	58.90%	4,269	75.46%
Semi-annual	250,049,598	28.98%	1,073	18.97%
Quarterly	95,398,631	11.06%	231	4.08%
Annual	8,561,990	0.99%	79	1.40%
Bi-monthly	649,415	0.08%	5	0.09%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Type of Interest Rate	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Floating	692,038,761	80.20%	3,538	62.54%
Fixed	170,837,595	19.80%	2,119	37.46%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Interest Rate Type	**Interest Reference Rate**	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Floating rate (No Cap)	Euribor 6m	414,442,092	48.03%	2,282	40.34%
	Euribor 3m	214,779,512	24.89%	793	14.02%
	Euribor 1m	19,077,653	2.21%	174	3.08%
	Euribor 12m	4,541,094	0.53%	32	0.57%
	ECB Rate	1,151,645	0.13%	18	0.32%
Floating rate (With Cap)	Euribor 6m	25,912,559	3.00%	206	3.64%
	Euribor 3m	11,738,869	1.36%	30	0.53%
	Euribor 1m	303,294	0.04%	2	0.04%
	Euribor 12m	92,042	0.01%	1	0.02%
Fixed rate		170,837,595	19.80%	2,119	37.46%
Grand Total		**862,876,356**	**100.00%**	**5,657**	**100.00%**

Current Spread (bps) Only Floating	Current Balance	Current Balance %	Number of Loans	Number of Loans %
0-100	78,304,142	11.31%	161	4.55%
100-200	373,628,672	53.99%	1,758	49.69%
200-300	156,611,320	22.63%	964	27.25%
300-400	52,534,526	7.59%	314	8.88%
400-500*	27,157,993	3.92%	239	6.76%
>500	3,802,109	0.55%	102	2.88%
Grand Total	**692,038,761**	**100.00%**	**3,538**	**100.00%**

***Referred to this item the upper boundary is intended included*

Current Fixed Rate Only Fixed	Current Balance	Current Balance %	Number of Loans	Number of Loans %
3.0%-3.5%	838,717	0.49%	18	0.85%
3.5%-4.0%	4,816,187	2.82%	88	4.15%
4.0%-4.5%	16,382,118	9.59%	190	8.97%
4.5%-5.0%	26,901,273	15.75%	319	15.05%
5.0%-5.5%	46,639,154	27.30%	464	21.90%
5.5%-6.0%	39,880,566	23.34%	412	19.44%
6.0%-6.5%	17,672,248	10.34%	284	13.40%
6.5%-7.0%	11,613,297	6.80%	163	7.69%
7.0%-7.5%	3,840,567	2.25%	113	5.33%
7.5%-8.0%*	1,166,520	0.68%	34	1.60%
>8.0%	1,086,949	0.64%	34	1.60%
Grand Total	170,837,595	100.00%	2,119	100.00%

***Referred to this item the upper boundary is intended included*

Amortisation Type	Current Balance	Current Balance %	Number of Loans	Number of Loans %
French	855,168,285	99.11%	5,646	99.81%
Italian	6,188,071	0.72%	4	0.07%
Bullet	1,520,000	0.18%	7	0.12%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Geographical Area (property)	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Southern Italy and Islands	611,835,433	70.91%	4,262	75.34%
Central Italy	182,113,160	21.11%	1,159	20.49%
Northern Italy	68,927,763	7.99%	236	4.17%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Borrower Region	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Puglia	301,173,926	34.90%	1,952	34.51%
Campania	150,950,600	17.49%	917	16.21%
Basilicata	122,909,075	14.24%	1,061	18.76%
Umbria	84,692,890	9.82%	595	10.52%
Lazio	79,745,339	9.24%	464	8.20%
Lombardia	42,684,084	4.95%	167	2.95%
Calabria	30,469,932	3.53%	298	5.27%
Veneto	25,412,654	2.95%	63	1.11%
Toscana	16,788,343	1.95%	89	1.57%
Molise	4,966,691	0.58%	23	0.41%
Abruzzo	1,197,611	0.14%	8	0.14%
Marche	886,587	0.10%	11	0.19%
Piemonte	352,460	0.04%	2	0.04%
Emilia Romagna	334,441	0.04%	3	0.05%
Sicilia	167,598	0.02%	3	0.05%
Trentino Alto Adige	144,124	0.02%	1	0.02%
Grand Total	**862,876,356**	**100.00%**	**5,657**	**100.00%**

Property Region*	Current Balance	Current Balance %	Number of Loans	Number of Loans %
Puglia	170,420,659	33.87%	856	35.58%
Campania	94,125,782	18.71%	416	17.29%
Basilicata	67,129,303	13.34%	321	13.34%
Umbria	57,283,470	11.38%	274	11.39%
Lazio	48,703,920	9.68%	209	8.69%
Calabria	19,107,884	3.80%	183	7.61%
Toscana	15,433,610	3.07%	34	1.41%
Lombardia	12,640,139	2.51%	51	2.12%
Veneto	8,196,012	1.63%	22	0.91%
Molise	3,899,961	0.78%	11	0.46%
Piemonte	2,462,216	0.49%	4	0.17%
Friuli Venezia Giulia	900,000	0.18%	6	0.25%
Emilia Romagna	800,257	0.16%	3	0.12%
Marche	765,621	0.15%	7	0.29%
Valle D Aosta	437,470	0.09%	2	0.08%
Sicilia	347,528	0.07%	1	0.04%
Abruzzo	174,463	0.03%	3	0.12%
Liguria	169,931	0.03%	1	0.04%
Sardegna	151,404	0.03%	2	0.08%
Grand Total	**503,149,632**	**100.00%**	**2,406**	**100.00%**

** Only first lien mortgages*

THE ORIGINATORS

Banca Popolare di Bari S.c.p.A.

Banca Popolare di Bari is the parent company of the Banca Popolare di Bari Group.

Banca Popolare di Bari plays a key role among financial institutions in the southern Italian regions, in particular in Puglia, but also in Campania and Basilicata. During the last years, according with the strategic plan of the Group, Banca Popolare di Bari has progressively consolidated its presence in other Italian regions like Lombardia and Veneto (northern Italy) alongside with Lazio, Umbria and Marche (central Italy) in which BPB bought some branches in 2008.

In 2009 Banca Popolare di Bari strengthened even more its presence in central Italy by acquiring the majority stake of Cassa di Risparmio di Orvieto, a local bank deeply rooted in these regions.

As of June 2012 the Banca Popolare di Bari Group has more than 360,000 retail clients, 58,000 corporate clients, 2,200 employees, 53,000 shareholders and about € 10 billions of global funding (both direct and indirect) and € 6.2 billions of loans.

OWNERSHIP AND SHARE CAPITAL

As at June 2012, the number of shareholders of Banca Popolare di Bari amounted to more than 53,000.

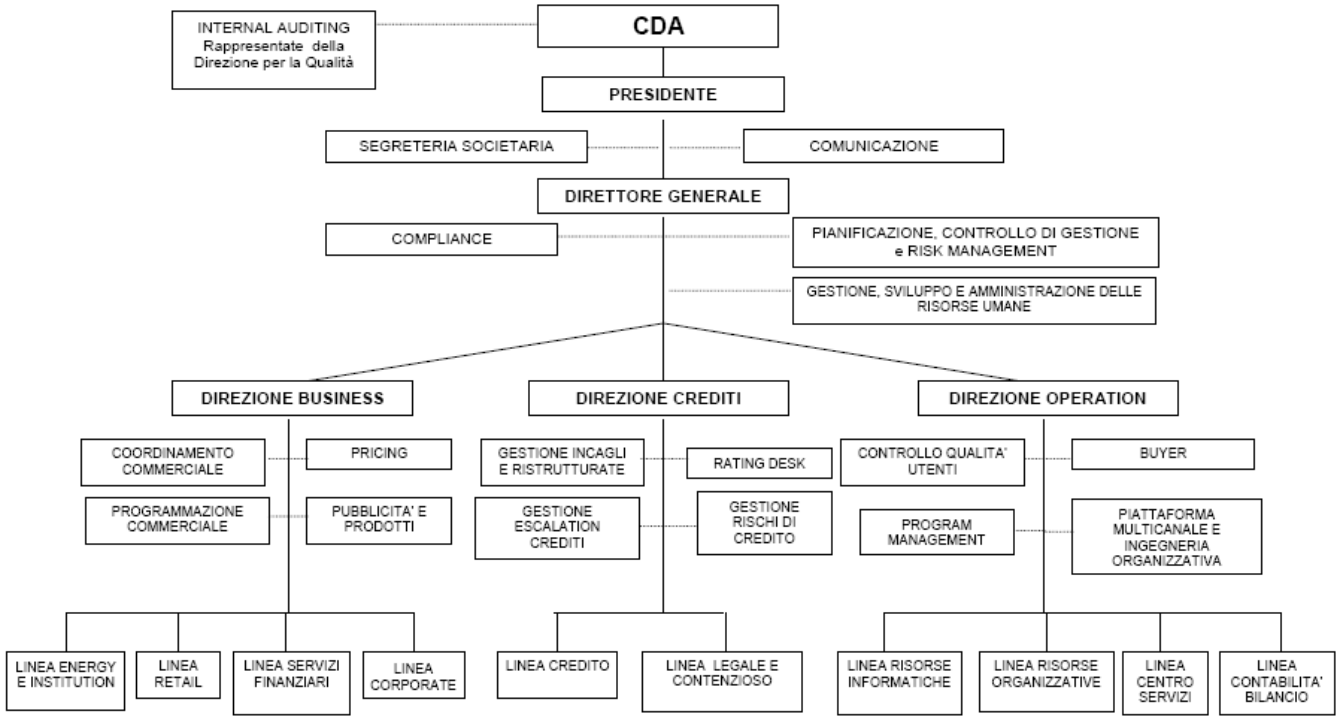
Banca Popolare di Bari is subject to certain legislation specific to Italian co-operative banks regarding, inter alia, its legal structure and shareholding, the main aspects of which are:

(a) each shareholder may hold a maximum of 0.5 per cent. of the share capital of the bank;

(b) voting is on a per capita basis – each shareholder has the right to a single vote regardless of the number of shares held; and

(c) all prospective shareholders must be approved by the existing shareholders after considering the bank's interest and the spirit of its co-operative form.

ORGANIZATIONAL STRUCTURE



FINANCIAL HIGHLIGHTS

The table below set out the profit and losses and the assets of Banca Popolare di Bari over the past 4 years:

In Eur millions	2008	2009	2010	2011	Jun 2012
Total Loans	4,117.6	4,589.0	4,958.8	5,085.0	5,249.6
% annual growth	*25.2%*	*11.4%*	*8.1%*	*2.5%*	*3.2%*
Total asset	5,620.5	6,267.3	6,513.3	6,643.4	7,402.3
% annual growth	*19.7%*	*11.5%*	*3.9%*	*2.0%*	*11.4%*
Net income	22.5	10.5	11.2	14.6	11.7
% annual growth	*-10,2%*	*-53.1%*	*6.3%*	*30.5%*	*n.s.*
Shareholders equity	572.6	769.5	788.5	765.3	787.2
% annual growth	*1.3%*	*34.4%*	*2.5%*	*-2.9%*	*2.9%*

FINANCIAL RATIOS

	2008	2009	2010	2011	Jun 2012
Regulatory ratios					
Total capital ratio	10.61%	20.50%	20.25%	16.71%	16.88%
Tier One ratio	5.86%	7.80%	13.08%	11.97%	12.20%
Credit quality ratios					
Net non performing loans/loans to customer	2.05%	2.49%	2.85%	3.33%	3.53%
Net watch list/Loans to customer	5.87%	7.19%	7.08%	8.08%	9.91%

Cassa di Risparmio di Orvieto S.p.a.

In 2009 Banca Popolare di Bari acquired from Banca CR Firenze (an Intesa San Paolo Group's subsidiary) the majority stake (73.75%) of Cassa di Risparmio di Orvieto, a local bank deeply rooted in central Italy (Umbria and Lazio).

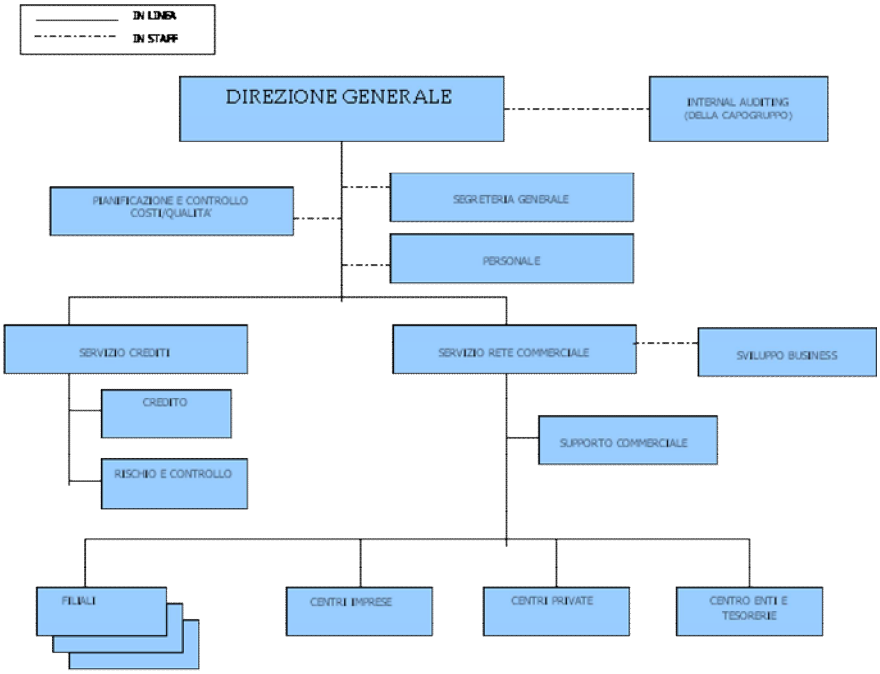
In order to rationalize the branch network according to a geographic criteria, in March 2011 Banca Popolare di Bari transferred to Cassa di Risparmio di Orvieto 11 branches located in Umbria.

As of 30 June 2012 Cassa di Risparmio di Orvieto has more than 60,000 clients, 310 employees and about € 1.3 billion of global funding (both direct and indirect).

OWNERSHIP

As of 30 June 2012 the majority stake of Cassa di Risparmio di Orvieto, corresponding to 73.57%, is owned by Banca Popolare di Bari while the remaining 26.43% is owned by Fondazione Cassa di Risparmio di Orvieto.

ORGANIZATIONAL STRUCTURE



FINANCIAL HIGHLIGHTS

The tables below set out the profit and losses and the assets of Cassa di Risparmio di Orvieto over the past 4 years:

In Eur millions	2008	2009	2010	2011	Jun 2012
Total Loans	654.6	745.0	790.1	939.6	945.7
% annual growth	*8.0%*	*13.8%*	*6.1%*	*18.9%*	*0.6%*
Total asset	755.9	835.7	855.9	1.058.7	1.130.5
% annual growth	*8.0%*	*13.8%*	*6.1%*	*18.9%*	*0.6%*
Net income	5.9	6.0	4.5	8.8	0.5
% annual growth	*2.5%*	*2.6%*	*-24.9%*	*95.7%*	*n.s.*
Shareholders equity	50.9	64.0	64.4	117.5	116.4
% annual growth	*3.4%*	*25.7%*	*8.0%*	*82.5%*	*-0.8%*

FINANCIAL RATIOS

	2008	2009	2010	2011	Jun 2012
Regulatory ratios					
Total capital ratio	9.35%	11.79%	11.68%	11.79%	11.25%
Tier One ratio	7.28%	10.03%	10.53%	11.38%	11.25%
Credit quality ratios					
Net non performing loans/loans to customer	1.22%	1.72%	2.25%	2.08%	2.46%
Net watch list/Loans to customer	3.83%	4.33%	5.38%	4.72%	7.53%

COMPLIANCE WITH ARTICLE 122A OF THE CRD

In the Intercreditor Agreement, each of the Originators has undertaken to the Noteholders and the Representative of the Noteholders that it will retain at the origination and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the relevant Portfolio which has been transferred to the Issuer) in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter and provide adequate disclosure to the Noteholders in accordance with such Article 122a of the CRD.

For such purpose, each of the Originators has undertaken to retain the Class B Notes with effect from the Issue Date and to disclose that it continues to fulfil the obligation to maintain the net economic interest in the Transaction in accordance with option (d) of Article 122a of the CRD and to give relevant information to the Noteholders and the prospective investors in this respect on a quarterly basis through the Investors Report.

Furthermore, in the Intercreditor Agreement, each of the Originators has undertaken to ensure that prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfill their monitoring and due diligence duties in accordance with Article 122a of the CRD.

In particular, in accordance with the Intercreditor Agreement each of the Originators has undertaken that any of such information:

(a) on the Issue Date, will be included in the following sections of this Prospectus "*The Portfolios*", "*Risk Factors*", "*Overview of the Transaction*", "*Credit and Collection Policy and Recovery Procedures*", "*Description of the Servicing Agreement and the Back-up Servicing Agreement*", "*Description of the Warranty and Indemnity Agreement*"; and

(b) following the Issue Date, on a quarterly basis, will:

  (i) on each Investors' Report Date, be included in the Investors' Report issued by the Computation Agent, which will (a) contain, *inter alia*, (i) statistics on prepayments, the Delinquent Claims, the Delinquent 60 Claims, the Delinquent 90 Claims; (ii) details relating to repurchases of Claims by the Servicers pursuant to the terms of the Servicing Agreement, (iii) information on the renegotiation transactions carried out by each Servicer and the Master Servicer pursuant to the Servicing Agreement, (iv) the aggregate amount of the Collections related to the Receivables collected during the preceding Collection Period, (v) a description, by aggregate amounts, of the Portfolios during the relevant Collection Period and (vi) information on the material net economic interest (of at least 5%) in the Transaction (calculated for each Originator with respect to the Claims comprised in the relevant Portfolios which have been transferred to the Issuer) maintained by the Originators in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter; (b) be generally available to the Noteholders and prospective investors at the offices of the Computation Agent and on the Computation Agent's web site currently located at www.securitisation-services.com;

  (ii) with reference to loan by loan information regarding each Loan included in the Portfolios, be made available, by each of the Originators;

  (iii) with reference to the further information which from time to time may be deemed necessary under Article 122a of the CRD in accordance with the market practice and not covered under points (i) and (ii) above, will be provided, upon request, by each of the Originators.

Under the Intercreditor Agreement each of the Originators has undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, within the limits of Article 122a of the CRD.

THE SWAP COUNTERPARTY

J.P. Morgan Securities plc

J.P. Morgan Securities plc (the "**Swap Counterparty**") is incorporated in England and Wales and is authorised and regulated by the Financial Services Authority. The Swap Counterparty became an EU credit institution on 1 July 2011.

J.P. Morgan Securities plc was previously named J.P. Morgan Securities Ltd. On 6 July 2012, J.P. Morgan Securities Ltd. was re-registered as a public company and its name was changed to J.P. Morgan Securities plc. In addition, its registered office was changed from 125 London Wall, London EC2Y 5AJ to 25 Bank Street, Canary Wharf, London E14 5JP.

The Swap Counterparty's immediate parent undertaking is J.P. Morgan Chase International Holdings, incorporated in England and Wales. The Swap Counterparty's ultimate parent undertaking is JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The parent undertaking of the smallest group in which the Company's results are consolidated is J.P. Morgan Capital Holdings Limited, incorporated in England and Wales.

The Swap Counterparty's primary activities are underwriting Eurobonds, equities and other securities, arranging private placements of debt and convertible securities, trading in debt and equity securities, swaps and derivative marketing, providing investment banking advisory and primary brokerage and clearing services for exchange traded futures and options contracts. The Swap Counterparty has branches in Frankfurt, Paris, Milan, Zurich, Madrid and Stockholm and is a member of many futures and equity exchanges including the London Stock Exchange.

The obligations of the Swap Counterparty under the Interest Rate Swap Agreement are guaranteed by JPMorgan Chase Bank, N.A. pursuant to a guarantee dated on or about the date of this Prospectus.

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

THE SWAP GUARANTOR

JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A. (the "**Swap Guarantor**") is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of September 30th, 2012, JPMorgan Chase Bank, National Association, had total assets of $1,850.2 billion, total net loans of $592.0 billion, total deposits of $1,186.7 billion, and total stockholder's equity of $142.6 billion. These figures are extracted from the Bank's unaudited Consolidated Reports of Condition and Income (the "**Call Report**") as of September 30th, 2012, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended 31 December 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the "**SEC**") by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Prospectus is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website.

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

THE AGENT BANK, THE TRANSACTION BANK, THE ENGLISH TRANSACTION BANK, THE PRINCIPAL PAYING AGENT, THE CASH MANAGER, THE IRISH PAYING AGENT

(i) The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, (ii) The Bank of New York Mellon, London Branch, (iii) The Bank of New York Mellon (Ireland) Limited shall act, respectively, as (i) Agent Bank, Transaction Bank and Principal Paying Agent, (ii) English Transaction Bank and Cash Manger, and (iii) Irish Paying Agent pursuant to the Cash Administration and Agency Agreement.

1. The Bank of New York Mellon (formerly The Bank of New York)

The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situated at One Canada Square, London E14 5AL.

The Bank of New York Mellon's corporate trust business services $12 trillion in outstanding debt from 55 locations around the world. It services all major debt categories, including corporate and municipal debt, mortgage-backed and asset-backed securities, collateralized debt obligations, derivative securities and international debt offerings. The Bank of New York Mellon's corporate trust and agency services are delivered through The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than $23 trillion in assets under custody and administration and more than $1.1 trillion in assets under management. Additional information is available at bnymellon.com.

2. The Bank of New York Mellon (Luxembourg) S.A.

The Bank of New York Mellon (Luxembourg) S.A. was incorporated in the Grand Duchy of Luxembourg as a *société anonyme* on 15 December 1998 under the Luxembourg Law of 10th August 1915 on commercial companies, as amended, and has its registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. It is an indirect wholly-owned subsidiary of The Bank of New York Mellon Corporation.

On 20 January 1999 the The Bank of New York Mellon (Luxembourg) S.A. received its banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and has engaged in banking activities since then. On 19 October 2006 the The Bank of New York Mellon (Luxembourg) S.A. has enhanced its banking licence to cover as well the activities of administrative agent of the financial sector.

The Bank of New York Mellon (Luxembourg) S.A. is supervised by the Luxembourg financial regulator, the *Commission de Surveillance du Secteur Financier.*

3. The Bank of New York Mellon (Ireland) Limited

The Bank of New York Mellon (Ireland) Limited is registered as a limited liability company, with registration number 426049, having its registered office at 4th Floor, Hanover Building, Windmill Lane, Dublin 4. The Bank of New York Mellon (Ireland) Limited is regulated as a credit institution by the Central Bank of Ireland. In October 2009, The Bank of New York Mellon received approval from the Central Bank of Ireland to establish a new banking entity in Ireland.

The information contained in paragraphs (1), (2) and (3) above relates to each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New York Mellon (Ireland) Limited and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New York Mellon (Ireland) Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of each of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, The Bank of New York Mellon and The Bank of New York Mellon (Ireland) Limited since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, each of the Agent may resign its appointment without being requested to give any reason and without being responsible for any damages, cost, expenses, losses or liabilities whatsoever occasioned which may be caused as a result of such resignation, upon not less than 90 (ninety) days' notice to the Issuer provided that certain conditions are met; on the other hand, the Issuer may revoke the appointment of any Agent, subject to the prior written approval of the Representative of the Noteholders (other than to replace any Agents being the same entity as the Representative of the Noteholders) and prior written notice to the Rating Agencies, by giving not less than 60 (sixty) days' notice to such Agent (with a copy to the Representative of the Noteholders, the Security Trustee and, in case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); provided however that, in any case, such revocation shall not take effect until a successor has been duly appointed in accordance with clause 13.4 and clause 13.5 of the Cash Administration and Agency Agreement, and notice of such appointment has been given in writing to *Monte Titoli*.

The appointment of any Agent shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a 5 (five) Business Days notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders and prior written notice to the Rating Agencies (other than in case any Agent being the same entity as the Representative of the Noteholders), if **(a)** such Agent becomes incapable of acting also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or **(b)** such Agent becomes unable to pay its debts as they fall due; or **(c)** such Agent takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or **(d)** an order is made or an effective resolution is passed for its winding-up; or **(e)** any event occurs which has an analogous effect to any of the foregoing, **(f)** with regard to each of the Principal Paying Agent, the Transaction Bank, the Cash Manager and the English Transaction Bank it ceases to be an Eligible Institution, or **(g)** in any case of just cause (*giusta causa*).

In the event that (i) each of the Agents gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, (ii) the Issuer revokes its appointment in accordance with clause 13.2 of the Cash Administration and Agency Agreement, and (iii) by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance

with clause 13.4 of the Cash Administration and Agency Agreement, the resigning agent may itself, following such consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, which, in the case of the Principal Paying Agent, the English Transaction Bank, the Cash Manager and the Transaction Bank shall qualify as an Eligible Institution (being approved in advance by the Representative of the Noteholders), provided that, in any case, the effectiveness of such appointment shall be conditional upon such successor becoming a party to the Intercreditor Agreement and to any other relevant Transaction Document in accordance with the Intercreditor Agreement. The Issuer shall forthwith give notice of any such appointment to Monte Titoli and the Rating Agencies.

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

THE COMPUTATION AGENT

The computation agent is Securitisation Services S.p.A. ("**SecS**"), an Italian company enrolled in the special register held by the Bank of Italy pursuant to articles 106 and 107 of the Italian Banking Law, which specialises in providing ongoing management and monitoring services to securitisation transactions such as portfolio servicing, special-purpose vehicles servicing, acting as calculation agent, cash manager and representative of the Noteholders.

SecS was established in 2001, when Finanziaria Internazionale Securitisation Group S.p.A. decided to spin off its securitisation servicing activities.

As at November 2012, SecS employed 63 people, 19 of whom were dedicated to computation agent activities. Most employees in this department have a degree in economics and have previous experience in the securitisation market (SecS reports average staff experience of 4.6 years). Newly recruited employees undergo an initial period of training, while to all employees Securitisation Services delivers training in a variety of methods: on-the-job training and coaching, internal formal training, and external formal training.

Each transaction is managed by two resources: the "role coordinator" and a "back-up officer". Prior to closing SecS assists the arrangers and their legal counsel in the drafting session of the transaction documents and in structuring the timing and the contents of the reporting in cooperation with the originators.

Calculation agent activities are regulated by a general procedures manual and by specific transaction manuals that contain a description of the deal and the activities carried out by SecS. In particular, transaction manuals include the deal's checklists, indicating the duties of SecS and their relative timing, as well as the description of the operative steps (updated every year).

Payment reports are produced through an IT application denominated SARA (Servicing and Reporting Activities) and developed internally: information provided by the different parties involved in the transaction (the servicer, the cash manager, the principal paying agent, the account bank, the corporate servicer) are checked and automatically processed; the release of the reports (generally available on SecS website) and of the related payment instructions are subject to a series of quality checks, namely bank account reconciliation (SecS has remote banking access to the issuer's accounts) and double checks with the information providers on their reports. Any discrepancy is dealt with immediately and any resulting adjustment is highlighted in the report.

SecS's activities are audited by Finanziaria Internazionale Group's holding company, which focuses on the accuracy of the deal checklists and the adequacy of back-up coverage.

The information contained herein relevant SecS relates to and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Securitisation Services since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

As Computation Agent, Securitisation Services agrees to perform the obligations required to be performed by itself or the Issuer under Condition 5.3 (*Determination of Interest Rate, Calculation of Interest Amount and Additional Return*) and Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, the Computation Agent may resign its appointment without being requested to give any reason and without being responsible for any damages, cost, expenses, losses or liabilities whatsoever occasioned which may be caused as a result of such resignation, upon not less than 90 (ninety) days' notice to the Issuer provided

that certain conditions are met; on the other hand, the Issuer may revoke the appointment of the Computation Agent, subject to the prior written approval of the Representative of the Noteholders (other than in case the Computation Agent being the same entity as the Representative of the Noteholders) and prior written notice to the Rating Agencies, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders, the Security Trustee and the Principal Paying Agent); provided however that, in any case, such revocation shall not take effect until a Successor has been duly appointed in accordance with clause 13.4 and clause 13.5 of the Cash Administration and Agency Agreement, and notice of such appointment has been given in writing to *Monte Titoli*.

The appointment of the Computation Agent shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a 5 (five) Business Days notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders and prior written notice to the Rating Agencies (other than in case the Computation Agent being the same entity as the Representative of the Noteholders), if **(a)** it becomes incapable of acting also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or **(b)** it becomes unable to pay its debts as they fall due; or **(c)** it takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or **(d)** an order is made or an effective resolution is passed for its winding-up; or **(e)** any event occurs which has an analogous effect to any of the foregoing, or **(f)** in any case of just cause (*giusta causa*).

In the event that (i) the Computation Agent gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, (ii) the Issuer revokes its appointment in accordance with clause 13.2 of the Cash Administration and Agency Agreement, and (iii) by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, the resigning agent may itself, following such consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, provided that, in any case, the effectiveness of such appointment shall be conditional upon such successor becoming a party to the Intercreditor Agreement and to any other relevant Transaction Document in accordance with the Intercreditor Agreement. The Issuer shall forthwith give notice of any such appointment to Monte Titoli and the Rating Agencies.

Upon any resignation or revocation or any termination taking effect under the Cash Administration and Agency Agreement, the relevant agent shall be released and discharged from its obligations under the Cash Administration and Agency Agreement.

THE BACK-UP SERVICER

Banca Popolare dell'Etruria e del Lazio s.c.

Banca Etruria traces its origins back to Banca Mutua Popolare Aretina, a bank established in 1881, which acquired Banca Popolare Senese and Banca Popolare di Livorno in 1971, creating Banca Popolare dell'Etruria. Following acquisitions of Banca Popolare dell'Alto Lazio (1988) and other small regional banks (Banca Popolare di Pontevalleceppi, Banca Popolare di Cagli, Banca Popolare di Gualdo Tadino and Banca Cooperativa di Capraia, Montelupo e Vitolini) Banca Etruria assumed its current name and operating structure.

Banca Etruria is the parent company of the Etruria Group. Its principal activities, both directly and indirectly through its subsidiaries and associated companies, include retail and corporate banking service, consumer loans, leasing and bancassurance.

Banca Etruria is a mid-sized mutual bank with a network of 197 branches at Etruria Group level (31 December 2011), including 8 branches of Banca Federico del Vecchio, Florence, of which share capital (100%) was bought by Banca Etruria during year 2006 and 2007, and 5 branches of Banca Popolare Lecchese, of which share capital (54,081%) was bought by Banca Etruria during year 2007.

The Bank has 1,767 (Group Banca Etruria 2,045)[1] staff concentrated in central Italy and, in particular, in the regions of Tuscany, Umbria, Lazio and Marche, where around 86 % of its branches are to be found. It also has a presence in Abruzzo, Emilia Romagna, Lombardia and Veneto, and since 1st December 2008 in Molise region as well. Its clients are made up of more than 27,350 retail and 6,910 corporate customers (December 2010). This client base allows a high spread of credit risk, stable relationships and good fund raising opportunities.

Banca Etruria is a co-operative limited liability joint stock company (Società cooperativa per azioni a responsabilità limitata). As such, the level of individuals' stockholdings in the cooperative is limited by law to 0.5% of the total share capital. Each shareholder has only one vote, notwithstanding the size of his or her shareholding. Also as a result of this legal form, its members may not make agreements between themselves (voting or blocking syndicates) in relation to the exercise of rights attaching to the shares. In order to become a member of Banca Etruria, a person must make a written application to the board of directors of Banca Etruria. The board, in considering the application and deciding whether or not to grant membership, looks to the interests of Banca Etruria and to the Banca Etruria cooperative form. Banca Etruria, like other cooperative lending banks, has a very wide spread shareholder base (64,485 shareholders, as of 31 December 2011) who also make up a significant portion of Banca Etruria's clients. Given the loyalty of clients, BancaEtruria's strategy of expanding this membership base in order to increase its sales of services (offered in exclusive or to shareholders, or at special conditions) has proved to be effective.

Banca Etruria's shares are listed on the Italian Stock Exchange.

[1] As at 31 December 2010

COLLECTION POLICY AND RECOVERY PROCEDURES

BANCA POPOLARE DI BARI S.C.P.A.

The following are the Credit and Collection Policy and Recovery Procedures of Banca Popolare di Bari S.c.p.A.

1. CREDIT REVIEW, MONITORING AND PRECAUTIONARY ACTIONS

The credit approval process is carried out in accordance with the credit policy established by the Board of Directors whose aims (e.g. total growth of the credit approval, level of concentration, territorial distribution, etc.) are linked to the funding and liquidity policies of the bank together and its geographical branch distribution. All personnel responsible for credit origination, underwriting, collection, monitoring and recovery are informed about such credit policies.

The evaluation of credit worthiness is based on an assessment of the the potential borrower's economic and financial situation together with its patrimonial standing in order to check its eligibility for the credit approval.

The assessment focuses on the applicant's ability to service the debt in the requested amount for the appropriate maturity established according to the specific funding needs of the potential borrower.

Regarding medium long term loans, the analysis is based on strategical aspects of the business of the borrower and on the potential return and soundness of the investment project. The analysis for short term debt addressed more the current and prospective credit standing of the applicant.

Mortgage loans in general, being amortising loans, are not subject to periodical review. Borrowers with multiple revolving credit lines (e.g. current account overdrafts) may be subject to periodical review. In any case, information is acquired with respect to the internal and external data regarding the client in order to evaluate its rating class.

Monitoring analysis of defaulting positions is the responsibility of the relevant relationship manager on the basis of information acquired directly from the client and by the use of the monitoring and control procedures of the bank (e.g. Bridge, ICC, CRS) which permit timely interventions at various levels.

Precautionary measures are proposed by the relevant retail relationship manager (under the supervision of the Area Manager) to *Linea Credito* (Credit Department), *Ufficio Gestione Rischi* (Risks Office) and *Ufficio Gestione Incagli e Ristrutturate* (Office of Impaired Claims and Restructuring). Possible actions are the following: a) specific actions following a single default; b) request for additional and higher guarantees, which may be granted by third parties not subject to bankruptcy proceedings; c) proposal of the defaulting position for classification within Bank of Italy's credit classifications as follows: "*sofferenza allargata*"; "*inadempimento persistente*" (which is enacted automatically by the monitoring IT procedure), "*incaglio*", "*ristrutturata*", "*sofferenza*", etc.

2. CREDIT MONITORING: PROCEDURES AND INDEXES FOR ANOMALOUS CREDIT DETECTION

Current procedures regarding the management of credit and the defaulting credit may be summarised as follows.

The various activities carried out by the bank are aimed at the "creation of value" by selecting the

following objectives:

- management models of credit research having objectives of effectiveness (reduction of risks default losses and increase of recovery rates) and efficiency (reduction of operating costs);
- efficient management of delinquent loans (*delinquency management*) in order to free up capital and mitigate economic impact, as well as effects on hazard ratios;
- management and control of the credit by way of early warning and delinquency management procedures in line with the changed and prospective circumstances, in order to anticipate the management activities in the first phases.

The target is to achieve an integrated model for:

- the detection / learning / evaluation of defaults detection;
- the definition of a new management model of the anomalous credit positions in order to promote the timely, coordinated and synergistic development of the delinquency management process among the various subject involved in such process;
- the coordination of the following activities: "default detection", "delinquency management" and "work out" credit process;
- the development of synergistic activities of "credit monitoring".

Additional relevant information concerning the delinquency management process are:

- the definition of escalation procedures regarding the credit positions in order to ensure timely interventions and their escalation on the relevant corporate structures, engaged at various levels of responsibility in the management of credit (*Aree Territoriali della Direzione Business* (Geographical Business Units) and relevant head quarters of the *Direzione Crediti* (Credit Direction));
- efficiency of the preventive actions in order to stabilise the escalating credit by defining specific management objectives and levels of responsibility among the subject involved in the management and monitoring of credit (*Rete, Aree, Linee e Direzione Crediti*);
- coordination of the escalation activities defined in the delinquency management process with the work-out process;
- definition of the integrated control procedures of the claims.

Activities for detecting, reporting and proposal to classification of the defaulting positions is realised by the relevant relationship manager (within the limits of the Local Area Retail management) and verified and controlled by *Ufficio Gestione Rischi* (Risks Office) and *Ufficio Gestione Incagli e Ristrutturate* (Office of Impaired Claims and Restructuring).

The employee assigned to monitoring the behaviour of the credit relationship with the borrowers and based at *Area Territoriale Retail*: a) conducts continuous monitoring of the credit portfolio for positions of under € 50,000 (limiting his activity only to positions not classified with a specific "Status") and could alternatively close the position or propose it for a particular Status Classification to *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)*; b) conducts systematical verification and control of the activities necessary to reducing the defaults; c) provides anomalous credit lists and periodical reports on the behaviour and development of the credit portfolio of each branch; d) Reports to *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)*: such offices have in any case the ability to intervene directly on the position if

considered appropriate.

For defaulting credits of higher than € 50,000 the responsibly body is the *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)* which has to: a) manage the insertion, variation or elimination of the anomalous Status classification; b) propose suitable actions to protect underwritten risks; c) produce a quarterly report for the Board of Directors ("**BoD**").

The *Direzione Crediti* or *Servizio Legale e Contenzioso* may decide to classify a position in the Status of "*Incaglio*" or "*Sofferenza*"

3. CLASSIFICATION AND MANAGEMENT OF DEFAULTING POSITIONS

Defaulting positions for which, within a reasonable time, it was not possible to improve or cure, are classified in one of the following Status: (i) "*inadempimento persistente*", (ii) *sofferenze allargate e/o rettificate*, (iii) *ristrutturate*, (iv*) incaglio a "rientro" – incaglio "operativo*", (v) *sofferenza*.

(i) Posizioni in Inadempimento Persistente (Past due positions)

Loans which are frequently more then 90 days overdue are classified as "*Inadempimento persistente*": the classification is automatically determined once the higher of the following items is equal or higher to 5%: (1) average of the overdue principal and overdraft amounts as against the residual principal during the immediately preceding quarter; (2) overdue principal and overdraft amounts as against the residual principal referred to on the date of reporting to *Centrale Rischi*.

(ii) Posizioni ristrutturate (Restructured positions)

"*Crediti Ristrutturati*" regarding residential mortage loans are related to positions in which the borrower agrees to change its original contractual terms (e.g. rescheduling of the payments, principal or interest reduction). *Direzione Crediti* office proposes to BoD the transfer of the position to the "*Ristrutturate*" (restructured) class.

(iii) Posizioni in Sofferenza Allargata

Positions in "*sofferenza allargata*" and/or "*sofferenza rettificata*" are detected as positions in "*sofferenza*" in the banking system by the feedback information flow (*flusso di ritorno*) from Centrale Rischi. Such positions are detected by *Ufficio Gestione Rischi*.

(iv) Posizione ad Incaglio (Impaired positions)

The detection of position to be classified as "*Incagliate*" is carried out by the competent offices of the credit following the occurence of further deterioration of the defaulting position. This could also occur after indications provided by *Direzione Crediti* which authorise the classification to *Incaglio*.

Direzione Crediti (*Ufficio Gestione Incagli e Ristrutturate)* is responsible for verifying the rescheduled repayment plan agreed with the borrower and approved by relevant bank departments.

The main causes for "*Incagli*" are due to: a) immobilisation of the current account relationship; b) unpaid loans instalments; c) positions for which a repayment plan has been formalised; d) positions for which a proposal of restructuring of the debt has been proposed to the borrower.

Within a reasonable time the bank proceeds with the definition of the position for the following possible classifications: a) *Ritorno in Bonis:* reversion to performing status after an act of "*Disincaglio*" by the competent office; b) *Incaglio Operativo*: In general a temporary phase in

which the bank put sin place actions designed to bring the position back to the performing status (*In bonis*); c) *Incaglio a rientro*: resolution to close the relationship within a certain period of time. A repayment plan is agreed with the relationship manager with possible restructuring or change of interest rate in order to facilitate a timely repayment; d) reclassify as "*Sofferenza"*.

Where a *Piano di Rientro* (Repayment Plan) is agreed with the borrower, it must be signed by the borrower and by its guarantors and the borrower has to provide: a) the exact indication of single debts regarding the plan, "*ricognizione del debito*"; b) acknowledgement of the debt by the borrower and his guarantors; c) terms and repayment features; d) revocation of the benefit of the granted extension in case the proposed repayment plan is not adhered to or in case of facts influencing negatively the possibility of repayment; e) declaration that the agreement does not represent a novation of original agreement.

(v) Passaggio a sofferenza (turn to default)

The transition to *sofferenza* generally happens when the evolution of the situation of *Incaglio* is accompanied by administrative facts indicating irreversible financial difficulties (cessation of activity, enforcement actions brought by third parties, etc.)

The transition to *sofferenza* for positions of an amount up to Euro 250,000 is formulated by competent Credit Department offices directly to the head of *Servizio Legale e Contenzioso*. For positions of an amount in excess of Euro 250,000 the verification of the existence of the requirements for the transition to *sofferenza* is subject to the endorsement of the General manager (*Direttore Generale*), who must report such action at the next meeting of the BoD.

Servizio Legale e Contenzioso office (Legal Department) promotes, within its delegated powers, all judicial prosecutions for the recovery of the credit, agrees maturity extensions with the debtor, moratorium or instalment rescheduling generally according to economic and legal evaluations. The CEO is responsible for actions related to positions for amounts over the delegated powers of Legal Department.

4. RECOVERY PROCEDURES: UNPAID INSTALMENTS MANAGEMENT

Management of positions with unpaid instalments

With reference to mortgage loans with a direct debit payment, in case an instalment is overdue due to insufficient funds on the bank account, this will be automatically communicated to the local branch manager.

In these cases there will be simultaneously an immediate call of the local branch manager to the client and the electronic execution of the mortgage procedure of the Cedacri IT system, that automatically sends the following two letters requesting payment:

(i) the first letter is sent automatically 7 days after the due date for payment;

(ii) the second letter is sent automatically 40 days after the due date for payment (regardless of the frequency with which the instalment falls due), asking to pay the overdue instalment within 5 days. This letter is sent based on the number of days for which the instalment remains unpaid rather than the number of unpaid instalments;

if the instalment remain unpaid after the deadline indicated on the second letter, than a third letter will be sent to the borrower informing it that the bank will proceed with legal action, without further warnings, requesting the unpaid instalment amounts and the residual principal.

5. RECOVERY PROCEDURES: SOFFERENZE OFFICE AND OUT-OF-COURT SETTLEMENT

"*Ufficio Sofferenze e Recupero Crediti*" (Office Managing Defaulted Positions and their out-of court recovery) is in charge for the whole recovery process of defaulted positions, by carrying out accounting, legal and administrative activities.

The out-of-court settlement activity is linked to proposals advanced by clients and/or proposed by the "*Ufficio Sofferenze e Recupero Crediti*" whenever it appears to be more preferable than bringing formal legal action.

Once a mortgage loan is classified as "in *sofferenza*", a letter of "*messa in mora*" (in which default interest is communicated as due to be paid) and/or a letter requesting the contract resolution is sent to the borrower and its guarantors, stating a deadline to pay the outstanding debt. If this action is not successful, the procedure is transferred to the external lawyer in order to start the legal action. If the borrower answers this solicitation by requesting a partial write off of the residual debt or a repayment plan, this proposal is submitted to the competent bank office for approval.

In case the above proposal is acceptable, it is proposed to the competent office and could be decided upon by the person responsible for the office, taking into account the limits stated in the Internal Rules of the bank. If the proposal exceeds those limits, than the decision will be taken directly by the Board of Directors. If the proposal does not appear appropriate, it is rejected and, if possible, a counterproposal is made.

6. RECOVERY PROCEDURES: IN COURT LEGAL ACTIONS AND REFERENCE COURTS

Internal / external Legal assistance

Legal actions are carried on by a number of external lawyers selected by the bank which are assigned to the various actions according to geographical location. During the legal action external lawyers cooperate with the internal legal department.

Reference Courts

Reference Courts for the Bank mainly include courts located in Puglia considering this is the region where the Bank has the largest number of its branches. However, the opening of new branches in other regions, the acquisition of other banks or legal actions on buildings located in other regions may require certain disputes to be subject to a different jurisdiction than Puglia (such as Calabria, Campania, Basilicata, Molise, Lazio, Lombardia, Veneto, Umbria).

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CASSA DI RISPARMIO DI ORVIETO S.P.A.

The following are the Credit and Collection Policy and Recovery Procedures of Cassa di Risparmio di Orvieto S.p.a.

1. CREDIT REVIEW, MONITORING AND PRECAUTIONARY ACTIONS

The credit approval process is carried out in accordance with the credit policy established by the Board of Directors whose aims (e.g. total growth of the credit approval, level of concentration, territorial distribution, etc.) are linked to the funding and liquidity policies of the bank together and its geographical branch distribution. All personnel responsible for credit origination, underwriting, collection, monitoring and recovery are informed about such credit policies.

The evaluation of credit worthiness is based on an assessment of the the potential borrower's economic and financial situation together with its patrimonial standing in order to check its

eligibility for the credit approval.

The assessment focuses on the applicant's ability to service the debt in the requested amount for the appropriate maturity established according to the specific funding needs of the potential borrower.

Regarding medium long term loans, the analysis is based on strategical aspects of the business of the borrower and on the potential return and soundness of the investment project. The analysis for short term debt addressed more the current and prospective credit standing of the applicant.

Mortgage loans in general, being amortising loans, are not subject to periodical review. Borrowers with multiple revolving credit lines (e.g. current account overdrafts) may be subject to periodical review. In any case, information is acquired with respect to the internal and external data regarding the client in order to evaluate its rating class.

Monitoring analysis of defaulting positions is the responsibility of the relevant relationship manager on the basis of information acquired directly from the client and by the use of the monitoring and control procedures of the bank (e.g. Bridge, ICC, CRS) which permit timely interventions at various levels.

Precautionary measures are proposed by the relevant retail relationship manager (under the supervision of the Area Manager) to *Linea Credito* (Credit Department), *Ufficio Gestione Rischi* (Risks Office) and *Ufficio Gestione Incagli e Ristrutturate* (Office of Impaired Claims and Restructuring). Possible actions are the following: a) specific actions following a single default; b) request for additional and higher guarantees, which may be granted by third parties not subject to bankruptcy proceedings; c) proposal of the defaulting position for classification within Bank of Italy's credit classifications as follows: "*sofferenza allargata*"; "*inadempimento persistente*" (which is enacted automatically by the monitoring IT procedure), "*incaglio*", "*ristrutturata*", "*sofferenza*", etc.

2. CREDIT MONITORING: PROCEDURES AND INDEXES FOR ANOMALOUS CREDIT DETECTION

Current procedures regarding the management of credit and the defaulting credit may be summarised as follows.

The various activities carried out by the bank are aimed at the "creation of value" by selecting the following objectives:

- management models of credit research having objectives of effectiveness (reduction of risks default losses and increase of recovery rates) and efficiency (reduction of operating costs);
- efficient management of delinquent loans (*delinquency management*) in order to free up capital and mitigate economic impact, as well as effects on hazard ratios;
- management and control of the credit by way of early warning and delinquency management procedures in line with the changed and prospective circumstances, in order to anticipate the management activities in the first phases.

The target is to achieve an integrated model for:

- the detection / learning / evaluation of defaults detection;
- the definition of a new management model of the anomalous credit positions in order to promote the timely, coordinated and synergistic development of the delinquency management process among the various subject involved in such process;

- the coordination of the following activities: "default detection", "delinquency management" and "work out" credit process;
- the development of synergistic activities of "credit monitoring".

Additional relevant information concerning the delinquency management process are:

- the definition of escalation procedures regarding the credit positions in order to ensure timely interventions and their escalation on the relevant corporate structures, engaged at various levels of responsibility in the management of credit (*Aree Territoriali della Direzione Business* (Geographical Business Units) and relevant head quarters of the *Direzione Crediti* (Intermediation Direction));
- efficiency of the preventive actions in order to stabilise the escalating credit by defining specific management objectives and levels of responsibility among the subject involved in the management and monitoring of credit (*Rete, Aree, Linee e Direzione Crediti*);
- coordination of the escalation activities defined in the delinquency management process with the work-out process;
- definition of the integrated control procedures of the claims.

Activities for detecting, reporting and proposal to classification of the defaulting positions is realised by the relevant relationship manager (within the limits of the Local Area Retail management) and verified and controlled by *Ufficio Gestione Rischi* (Risks Office) and *Ufficio Gestione Incagli e Ristrutturate* (Office of Impaired Claims and Restructuring).

The employee assigned to monitoring the behaviour of the credit relationship with the borrowers and based at *Area Territoriale Retail*: a) conducts continuous monitoring of the credit portfolio for positions of under € 50,000 (limiting his activity only to positions not classified with a specific "Status") and could alternatively close the position or propose it for a particular Status Classification to *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)*; b) conducts systematical verification and control of the activities necessary to reducing the defaults; c) provides anomalous credit lists and periodical reports on the behaviour and development of the credit portfolio of each branch; d) Reports to *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)*: such offices have in any case the ability to intervene directly on the position if considered appropriate.

For defaulting credits of higher than € 50,000 the responsibly body is the *Direzione Crediti* (*Ufficio Gestione Incagli e Ristrutturate)* which has to: a) manage the insertion, variation or elimination of the anomalous Status classification; b) propose suitable actions to protect underwritten risks; c) produce a quarterly report for the Board of Directors ("**BoD**").

The *Direzione Crediti* or *Servizio Legale e Contenzioso* may decide to classify a position in the Status of "*Incaglio*" or "*Sofferenza*"

3. CLASSIFICATION AND MANAGEMENT OF DEFAULTING POSITIONS

Defaulting positions for which, within a reasonable time, it was not possible to improve or cure, are classified in one of the following Status: (i) "*inadempimento persistente*", (ii) *sofferenze allargate e/o rettificate*, (iii) *ristrutturate*, (iv*) incaglio a "rientro" – incaglio "operativo*", (v) *sofferenza*.

(vi) Posizioni in Inadempimento Persistente (Past due positions)

Loans which are frequently more then 90 days overdue are classified as "*Inadempimento*

persistente": the classification is automatically determined once the higher of the following items is equal or higher to 5%: (1) average of the overdue principal and overdraft amounts as against the residual principal during the immediately preceding quarter; (2) overdue principal and overdraft amounts as against the residual principal referred to on the date of reporting to *Centrale Rischi*.

(vii) Posizioni ristrutturate (Restructured positions)

"*Crediti Ristrutturati*" regarding residential mortage loans are related to positions in which the borrower agrees to change its original contractual terms (e.g. rescheduling of the payments, principal or interest reduction). *Direzione Crediti* office proposes to BoD the transfer of the position to the "*Ristrutturate*" (restructured) class.

(viii) Posizioni in Sofferenza Allargata

Positions in "*sofferenza allargata*" and/or "*sofferenza rettificata*" are detected as positions in "*sofferenza*" in the banking system by the feedback information flow (*flusso di ritorno*) from Centrale Rischi. Such positions are detected by *Ufficio Gestione Rischi*.

(ix) Posizione ad Incaglio (Impaired positions)

The detection of position to be classified as "*Incagliate*" is carried out by the competent offices of the credit following the occurence of further deterioration of the defaulting position. This could also occur after indications provided by *Direzione Crediti* which authorise the classification to *Incaglio*.

Direzione Crediti (*Ufficio Gestione Incagli e Ristrutturate)* is responsible for verifying the rescheduled repayment plan agreed with the borrower and approved by relevant bank departments.

The main causes for "*Incagli*" are due to: a) immobilisation of the current account relationship; b) unpaid loans instalments; c) positions for which a repayment plan has been formalised; d) positions for which a proposal of restructuring of the debt has been proposed to the borrower.

Within a reasonable time the bank proceeds with the definition of the position for the following possible classifications: a) *Ritorno in Bonis:* reversion to performing status after an act of "*Disincaglio*" by the competent office; b) *Incaglio Operativo*: In general a temporary phase in which the bank put sin place actions designed to bring the position back to the performing status (*In bonis*); c) *Incaglio a rientro*: resolution to close the relationship within a certain period of time. A repayment plan is agreed with the relationship manager with possible restructuring or change of interest rate in order to facilitate a timely repayment; d) reclassify as "*Sofferenza"*.

Where a *Piano di Rientro* (Repayment Plan) is agreed with the borrower, it must be signed by the borrower and by its guarantors and the borrower has to provide: a) the exact indication of single debts regarding the plan, "*ricognizione del debito*"; b) acknowledgement of the debt by the borrower and his guarantors; c) terms and repayment features; d) revocation of the benefit of the granted extension in case the proposed repayment plan is not adhered to or in case of facts influencing negatively the possibility of repayment; e) declaration that the agreement does not represent a novation of original agreement.

(x) Passaggio a sofferenza (turn to default)

The transition to *sofferenza* generally happens when the evolution of the situation of *Incaglio* is accompanied by administrative facts indicating irreversible financial difficulties (cessation of activity, enforcement actions brought by third parties, etc.)

The transition to *sofferenza* for positions of an amount up to Euro 250,000 is formulated by competent Credit Department offices directly to the head of *Servizio Legale e Contenzioso*. For positions of an amount in excess of Euro 250,000 the verification of the existence of the requirements for the transition to *sofferenza* is subject to the endorsement of the General manager (*Direttore Generale*), who must report such action at the next meeting of the BoD.

Servizio Legale e Contenzioso office (Legal Department) promotes, within its delegated powers, all judicial prosecutions for the recovery of the credit, agrees maturity extensions with the debtor, moratorium or instalment rescheduling generally according to economic and legal evaluations. The CEO is responsible for actions related to positions for amounts over the delegated powers of Legal Department.

4. RECOVERY PROCEDURES: UNPAID INSTALMENTS MANAGEMENT

Management of positions with unpaid instalments

With reference to mortgage loans with a direct debit payment, in case an instalment is overdue due to insufficient funds on the bank account, this will be automatically communicated to the local branch manager.

In these cases there will be simultaneously an immediate call of the local branch manager to the client and the electronic execution of the mortgage procedure of the Cedacri IT system, that automatically sends the following two letters requesting payment:

(i) the first letter is sent automatically 7 days after the due date for payment;

(ii) the second letter is sent automatically 40 days after the due date for payment (regardless of the frequency with which the instalment falls due), asking to pay the overdue instalment within 5 days. This letter is sent based on the number of days for which the instalment remains unpaid rather than the number of unpaid instalments;

if the instalment remain unpaid after the deadline indicated on the second letter, than a third letter will be sent to the borrower informing it that the bank will proceed with legal action, without further warnings, requesting the unpaid instalment amounts and the residual principal.

5. RECOVERY PROCEDURES: SOFFERENZE OFFICE AND OUT-OF-COURT SETTLEMENT

"*Ufficio Sofferenze e Recupero Crediti*" (Office Managing Defaulted Positions and their out-of court recovery) is in charge for the whole recovery process of defaulted positions, by carrying out accounting, legal and administrative activities.

The out-of-court settlement activity is linked to proposals advanced by clients and/or proposed by the "*Ufficio Sofferenze e Recupero Crediti*" whenever it appears to be more preferable than bringing formal legal action.

Once a mortgage loan is classified as "in *sofferenza*", a letter of "*messa in mora*" (in which default interest is communicated as due to be paid) and/or a letter requesting the contract resolution is sent to the borrower and its guarantors, stating a deadline to pay the outstanding debt. If this action is not successful, the procedure is transferred to the external lawyer in order to start the legal action. If the borrower answers this solicitation by requesting a partial write off of the residual debt or a repayment plan, this proposal is submitted to the competent bank office for approval.

In case the above proposal is acceptable, it is proposed to the competent office and could be decided upon by the person responsible for the office, taking into account the limits stated in the

Internal Rules of the bank. If the proposal exceeds those limits, than the decision will be taken directly by the Board of Directors. If the proposal does not appear appropriate, it is rejected and, if possible, a counterproposal is made.

6. RECOVERY PROCEDURES: IN COURT LEGAL ACTIONS AND REFERENCE COURTS

Internal / external Legal assistance

Legal actions are carried on by a number of external lawyers selected by the bank which are assigned to the various actions according to geographical location. During the legal action external lawyers cooperate with the internal legal department.

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USE OF PROCEEDS

The net proceeds from the issue of the Notes, being Euro 862,877,000 of which Euro 617,000,000 of the Class A Notes and Euro 245,877,000 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to Article 3 of Law 130, as a società a responsabilità limitata (limited liability company) on 27 January 2012 under the name of Kentia SPV S.r.l., enrolled in the Register of Companies of Treviso and registered at No. 04504680267 and in the register of the special purpose vehicles held by the Bank of Italy pursuant to the Bank of Italy regulation dated 29 April 2011. On 9 July 2012, a quotaholder's meeting approved, *inter alia*, the name change of the Issuer from Kentia SPV S.r.l. into 2012 Popolare Bari SME S.r.l. (the "**Issuer**").

Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no dividends have been declared or paid, other than: (i) the authorisation and the execution of this Prospectus and the other Transaction Documents to which it is a party; (ii) the activities incidental to any registration under the laws of the Republic of Italy; (iii) the activities referred to or contemplated in this Prospectus and in the Transaction Documents; and (iv) the authorisation by it of the Notes.

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000.00 fully paid up as of the date of this Prospectus. The quotaholder of the Issuer is SVM Securitisation Vehicles Management S.r.l., which holds the entire quota capital (the "**Quotaholder**"). The duration of the Issuer is until 31 December 2100. To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Quotaholder.

Principal Activities

The scope of the Issuer, as set out in Article 4 of its by-laws (*Statuto*), is exclusively to purchase monetary claims in the context of securitisation transactions, and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to Article 3 of Law 130. The issuance of the Notes was approved by means of a Quotaholder's meeting held on 27 July 2012. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolio, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Conditions.

Directors and registered office

The sole director of the Issuer is Mr Andrea Fantuz. The director was appointed on 27 January 2012. The director's office is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy. Director's principal activity: activities of a company engaged in the structured finance business.

The Issuer's registered office is located at Via V. Alfieri 1, 31015 Conegliano (TV), Italy (telephone number: +39.0438.360.926; fax number: +39.0438.360.962).

Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes now being issued on the Issue Date, is as follows:

Capital

Issued and fully paid up	10,000.00 Euro

In connection with the issue by the Issuer of the Notes referred to in this Prospectus, the transaction would be reported as an off-balance sheet transaction in the *nota integrativa* to the financial statements of the Issuer at the date the transaction is completed, as follows:

Off-balance sheet assets and liabilities

Class A Asset Backed Floating Rate Notes due October 2054 Euro 617,000,000.

Class B Asset Backed Floating Rate Notes due October 2054 Euro 245,877,000.

TOTAL INDEBTEDNESS **Euro 862,877,000**

Following the issue of the Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial Statements

Since the date of incorporation, the Issuer has not commenced operations (except as described in this Prospectus) and no Financial Statements have been made up as at the date of this Prospectus.

DESCRIPTION OF THE TRANSFER AGREEMENTS

The description of the Transfer Agreements set out below is a summary of certain features of the Transfer Agreements and is qualified in its entirety by reference to the detailed provisions of the Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements upon request at the registered offices of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transfer Agreements.

Pursuant to two transfer agreements, each entered into between the Issuer and the relevant Originator on 26 October 2012 (the "**Transfer Agreements**"), each of the Originators sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims (each a "**Portfolio**") and connected rights arising out of the relevant mortgage loans and unsecured loans (the "**Claims**" and "**Loans**" respectively) granted by the Originators to their customers (the "**Borrowers**") with economic effect as of the Effective Date.

THE PURCHASE PRICE

As consideration for the acquisition of the Claims pursuant to the Transfer Agreements, the Issuer has undertaken to pay to Banca Popolare di Bari a price equal to € 695,086,374.68 and to Cassa di Risparmio di Orvieto a price equal to € 167,789,981.44 (collectively the "**Purchase Price**"). The Purchase Price is calculated as the aggregate of the Individual Purchase Price of each Claim comprised in the Portfolio.

THE CLAIMS

Pursuant to the relevant Transfer Agreement, each of the Originators has represented and warranted that the Claims have been selected on the basis of objective criteria (the "**Criteria**") in order to ensure that the Claims have the same legal and financial characteristics. See "*The Portfolio*".

PRICE ADJUSTMENT

The Transfer Agreements provide that if, after the Transfer Date, it transpires that (i) any Claims do not meet the Criteria, then such Claims will be deemed not to have been assigned and transferred to the Issuer pursuant to the relevant Transfer Agreement and (ii) any Claim which meets the Criteria has not been included in the list of Claims attached to the relevant Transfer Agreement, then such Claim shall be deemed to have been assigned and transferred to the Issuer by the relevant Originator pursuant to the relevant Transfer Agreement. Pursuant to clause 5.3 of the Transfer Agreements, the Purchase Price shall be adjusted to take into account the additional payment or the reimbursement to be made for any such Claim, as follows:

A. In the case of a Claim which does not meet the Criteria, the relevant Originator or the Issuer, as the case may be, shall communicate such circumstance to the other party, and the relevant Originator, following to such communication, will pay to the Issuer, by crediting on the BPB Collection Account or the CRO Collection Account, as the case may be, an amount equal to:

(i) the Individual Purchase Price which has been paid for such Claim; *plus*

(ii) any accrued and accruing interest on such amount from the Issue Date (included) until the date of payment of the Individual Purchase Price (excluded), calculated at the interest rate applied to such Claim; *plus*

(iii) any expense and documented cost (including legal costs) which have been borne by the Issuer in relation to such Claim after the Transfer Date; *less*

(iv) the aggregate of all sums recovered and collected by the Issuer in respect of such claim after the execution of the Transfer Agreements,

provided that, in case the communication above indicated is received three Business Days before the Issue Date, clause 5.3 of the Transfer Agreements will not apply and the Purchase Price to be paid by the Issuer to the relevant Originator will be reduced of an amount equal to the Individual Purchase Price of such Claim; and provided further that no amount shall be paid by the Issuer to the Originators in case the amount calculated pursuant to clause 5.3 of the Transfer Agreements is negative.

B. In the case of a Claim which meets the Criteria but was not included in the relevant Transfer Agreement, the Issuer will correspond to the relevant Originator, on the relevant Payment Date and in accordance with the applicable Order of Priority, an amount equal to (i) the purchase price which would have been payable for such Claim pursuant to the relevant Transfer Agreement; less (ii) the aggregate of all sums recovered and collected by the relevant Originator in respect of such Claim after the Effective Date (included) as better specified in clause 5.4 of the Transfer Agreements.

APPLICABLE LAW AND JURISDICTION

The Transfer Agreements are in Italian. The Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Transfer Agreements including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of the Warranty and Indemnity Agreement and is qualified in its entirety by reference to the detailed provisions of the Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of the Warranty and Indemnity Agreement upon request at the registered offices of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Warranty and Indemnity Agreement.

Under a warranty and indemnity agreement entered into on 26 October 2012 between the Issuer and the Originators (the "**Warranty and Indemnity Agreement**"), the Originators gave certain representations and warranties as to, *inter alia*, the Claims they transferred pursuant to the Transfer Agreements, the respective Loans and the Insurance Policies, their corporate existence and operations and their collection and recovery policy. Moreover the Originators have agreed to indemnify and hold harmless the Issuer from and against all damages, losses, claims, liabilities and costs awarded against or suffered or incurred by them or otherwise arising to them by reason of any misrepresentation of the Originators in the Warranty and Indemnity Agreement or any default of the Originators under the Warranty and Indemnity Agreement and/or the relevant Transfer Agreement and/or the Servicing Agreement.

REPRESENTATIONS AND WARRANTIES OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each of the Originators has represented and warranted with respect to itself and the Claims it sold to the Issuer under the relevant Transfer Agreement, the Loans, the Mortgages securing them and the Insurance Policies, as to, *inter alia*, the following matters:

General

(a) it is a bank duly incorporated as a *società cooperativa per azioni*, in relation to Banca Popolare di Bari, and as a *società per azioni*, in relation to Cassa di Risparmio di Orvieto, and validly existing under the laws of the Republic of Italy;

(b) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and it has taken all necessary actions whatsoever required to authorise its entry into, delivery and performance of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party, and the terms thereof, including, without limitation, the sale and assignment of the Claims;

(c) the execution, delivery and performance by it of the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party and all other instruments and documents to be delivered pursuant thereto and all transactions contemplated thereby do not contravene or result in a default under, (i) its corporate constitutional documents, (ii) any law, rule or regulation applicable to it, (iii) any contractual restriction contained in any agreement or other instrument binding on it or affecting it or its property or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not and will not result in the creation of any adverse claim;

(d) the provisions of the Warranty and Indemnity Agreement are legal, valid and binding and are enforceable against it in accordance with its terms; and its payment obligations under the Warranty and Indemnity Agreement constitute claims against it which rank at least *pari passu* with the claims of all other unsecured creditors under the laws of the Republic of Italy apart from any preferential creditors under any applicable insolvency laws or similar legislation;

(e) there is no litigation, current, pending or threatened against it, nor has any action or

administrative proceeding of or before any court or agency been started or threatened against it, which might or could materially affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;

(f) it is solvent and there is no fact or matter which might render it insolvent or subject to any insolvency proceedings, nor will it be rendered insolvent as a consequence of entering into the Warranty and Indemnity Agreement or the other Transaction Documents to which it is a party or of performing any of the obligations herein or therein contained;

(g) there has been no material adverse change in its financial or operative condition which would adversely affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;

(h) the information relating to itself (including, without limitation, information with respect to its loan business), the Claims, the Loans and the Insurance Policies supplied to the Issuer is true and correct in all material respects.

The Claims, the Loans, the Mortgage Loans and the Real Estate Assets

(a) It holds sole and unencumbered legal title to the Claims (classified as *in bonis* according to the regulations issued by the Bank of Italy (*istruzioni di vigilanza*)), the Loans, the Mortgages and the Insurance Policies; it has not assigned (whether absolutely or by way of security), mortgaged, charged, transferred, disposed or dealt with or otherwise created or allowed to arise or subsist an adverse claim in respect of their title and interest in and to and the benefit of the Claims, the Loans and the Mortgages;

(b) the Claims, the Loans, the Mortgages and the Insurance Policies are governed by Italian law and are legal, valid, binding and enforceable under the same and in particular the Loans comply with all rules and regulations on (i) compounding of interests, (ii) consumer protection, (iii) the prevention of usury, and (iv) data protection and privacy protection; the Mortgage Loans have been executed as a public deed (*atto pubblico*) before a notary public (*notaio*) or as a private deed notarized by a notary public;

(c) each Loan has been fully disbursed to or to the account of the relevant Borrower and there is no obligation on its part to advance or disburse further amounts in connection therewith;

(d) in relation to Mortgage Loans secured by first legal Mortgage priority, there are no others first legal mortgages priorities registered on the same Real Estate Assets;

(e) there are no Loans which provide for the right of the Borrower to delay the payment of one or more Instalments;

(f) there are no Claims subject to moratorium (*dilazione di pagamento*) following the delay or default by the Borrower in the payment of one or more Instalments;

(g) the sale of the Claims to the Issuer pursuant to the relevant Transfer Agreement will not affect the obligation of the related Borrower or Insurance Company under the relevant Loans or Insurance Policies;

(h) the Claims have been selected by it on the basis of the Criteria so as to constitute a portfolio of homogeneous rights within the meaning and for the purposes of Law 130;

(i) all consents, licenses, approvals or authorisations of or registrations or declarations with any governmental or other public authority required to be obtained, effected or provided for the validity and enforceability of the Claims, the Loans, the Mortgages and/or the Insurance Policies have been duly obtained, effected or provided and are in full force and effect; and all costs,

expenses and taxes required to be paid in connection with the execution of the Loans or for the validity and enforceability of the Claims, the Loans and/or the Mortgages have been duly paid;

(j) all the Claims are assisted by Real Estate Insurance Policies and certain Claims are assisted by the other Insurance Policies, all of them valid and effective and which name the relevant Originator as beneficiary of any indemnity to be paid thereunder, directly or by virtue of an appendix (*appendice di vincolo*) in its favour attached thereto or provide for a Mandate in favour of the relevant Originator in order to guarantee certain Claims;

(k) it has maintained complete, proper and up-to-date books, records and documents for the Claims, the Loans and the Mortgages and all other amounts paid thereunder, and all such books and documents are kept in its possession or are held to its order;

(l) the Real Estate Assets are located in Italy;

(m) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;

(n) each of the Real Estate Assets is free from damage and waste, in good condition and there are no proceedings, actual or threatened, in relation thereto;

(o) each of the Real Estate Assets (i) is duly registered with the competent land registries; (ii) complies with all applicable Italian laws as to its use as residential (*destinazione d'uso*), (iii) meets the legal requirements for habitation (*agibilità*), (iv) is marketable (*non soggetto a vizio di incommerciabilità*), and (v) complies with all applicable planning and building laws and regulations;

(p) the Borrowers, which are individuals (*persone fisiche*), are all resident in Italy;

(q) the Borrowers, which are entities (*enti giuridici*), are all incorporated under Italian law and have all their registered office in Italy;

(r) the guarantors of the Borrowers, which are individuals (*persone fisiche*), are all resident in Italy;

(s) the guarantors of the Borrowers, which are entities (*enti giuridici*), are all incorporated under Italian law and have all their registered offices in Italy;

(t) At least 82.68% (calculated with respect to the principal amount outstanding as at the Effective Date) of the Mortgage Loans comprised in the Portfolio assigned by Banca Popolare di Bari, are Mortgage Loans secured by first economic priority Mortgage;

(u) At least 84.88% (calculated with respect to the principal amount outstanding as at the Effective Date) of the Mortgage Loans comprised in the Portfolio assigned by Cassa di Risparmio di Orvieto, are Mortgage Loans secured by first economic priority Mortgage;

(v) no Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the Guidelines of the European Central Bank issued on 2 August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;

(w) the Loans do not include at the signing date of the Warranty and Indemnity Agreement and will not include at the Issue Date, non performing loans pursuant to the Guidelines of the European Central Bank issued on 2 August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;

(x) the Borrowers are all qualified as micro, small and medium enterprises (*microimprese, piccole imprese e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 2

August 2012, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;

(y) no Loan Agreement could be classified as leasing agreement.

UNDERTAKINGS OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each of the Originators has undertaken, with respect to itself, the Claims, the respective Loans, the Mortgages securing them and the Insurance Policies, *inter alia*, as follows:

(a) without prejudice to the non-recourse nature (*natura pro soluto*) of the assignment effected pursuant to the relevant Transfer Agreement, to refrain from carrying out or purporting to carry out any activity with respect to the Claims which may adversely affect them, and in particular: before the date of publication of the applicable notice of assignment of the Claims in the Official Gazette and registration of the assignment of the Claims in Companies' Register; (i) not to assign and/or transfer, the whole or any part of, any of the Claims to any third party; and (ii) not to create or allow to be created or to arise or to allow to exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Claims, or any part thereof;

(b) not to execute any agreement, deed or document or enter into any arrangement purporting to assign, or otherwise dispose of, any of the Loans or of the Insurance Polices or to create or allow to be created or allow to arise or exist any security interest, lien, pledge, privilege or encumbrance or other right in favour of third parties in respect of the Loans;

(c) not to instruct any Borrower, guarantor or Insurance Companies to make any payment with respect to any of the Claims differently from as provided for in the Transaction Documents or as instructed in writing by the Issuer;

(d) otherwise than in its capacity as Servicer in accordance with the relevant provisions of the Servicing Agreement, not to take any action likely to cause or permit any of the Claims to become invalid or diminish their respective rights;

(e) to co-operate with the Issuer to perform any and all acts, carry out any and all actions, and execute any and all documents as the Issuer may reasonably deem necessary in connection with the Warranty and Indemnity Agreement and the other Transaction Documents;

(f) to comply fully and in a timely manner with and observe any and all provisions, covenants and other terms to be complied with, insofar as necessary in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims;

(g) to assist and fully co-operate with the Issuer in any due diligence relating to the Claims which the Issuer may wish to carry out after the date of the Warranty and Indemnity Agreement;

(h) to maintain in a safe place and in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Loans, the Mortgages and the Insurance Policies;

(i) to comply with all applicable laws and regulations (including all rules, orders and instruments) with respect to the Claims, the Loans, the Mortgages and their administration and management;

(j) to grant access to the Issuer and/or the Representative of the Noteholders, its agents and nominees to its premises for purposes of examining records, documents and data in relation to the Claims, to copy them and to discuss any issues concerning the Claims with its accountants and other appointed personnel;

(k) to pay all costs, fees and taxes due promptly in relation to the execution, filing, registration, etc., of the Warranty and Indemnity Agreement and the other Transaction Documents;

(l) save as provided for in the Servicing Agreement, not to agree to any amendment of or waiver to any terms and conditions of the Loans, the Mortgages and/or the Insurance Policies which might adversely affect the timely recovery of the Claims, the ability of the Issuer to enforce its rights, claims, powers and benefits against the Borrowers, the guarantors and/or the Insurance Companies or the validity of the Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims;

(m) to assist and support the Issuer or its nominee in the development of adequate data reporting systems concerning the Claims by transferring to the Issuer books, records and documents which may be useful or relevant for implementing a data reporting system which would allow the Issuer to achieve full compliance with all applicable laws and regulatory reporting regulations and requirements.

INDEMNITY

Under the Warranty and Indemnity Agreement, each of the Originators agreed to indemnify the Issuer, its representatives and agents from and against any and all damages, losses, claims, liabilities and related costs and expenses, including legal fees and disbursements awarded against or suffered or incurred by it as a consequence of or in relation to:

(a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party which shall have been false, incorrect or misleading when made or delivered;

(b) its failure (in whole or in part) to comply with any term, provision or covenant contained in the Warranty and Indemnity Agreement or any other Transaction Document to which it shall be a party and its failure to comply with any applicable law, rule or regulation with respect to the Claims, the Loans, the Mortgages, the Real Estate Assets and the Insurance Policies;

(c) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the relevant Transfer Agreement, free and clear of any adverse claim;

(d) any dispute, claim or defence (other than discharge in bankruptcy or winding up by reason of insolvency or similar event) of the Borrowers, the guarantors or the Insurance Companies to the payment of any Claim;

(e) any judicial or out of court set-off of the assigned Borrower in relation to the payment of any Claim arising before or after the execution date of the Warranty and Indemnity Agreement under the Loans or under or pursuant to any contract, deed, document, action, event or circumstance.

RIGHT OF RE-TRANSFER OF THE ISSUER

A. Pursuant to the Warranty and Indemnity Agreement, if at any time, the representations and warranties given by the Issuer in relation to the Loans, the Mortagage, the Loans Agreement, the Claims and the Real Estate Asset are false, incorrect or misleading and provided that the breach is not remedied by the relevant Originator within 20 (twenty) days following notification from the Issuer of the breach (the "**Grace Period**"), the Issuer (without prejudice to what is described below under point C) has the right to re-transfer to the relevant Originator, by giving written notice to it (the "**Notice of Re-transfer**") within 30 (thirty) Business Days from the maturity of the Grace Period, the Claims to which the false or incorrect representation or warranty refers (the "**Affected Claims**"). The effectiveness of the re-transfer is subject to payment from the relevant Originator of the purchase price of the Affected Claims on the relevant Collection Account (the "**Affected Claims Purchase**

Price").

B. The Affected Claims Purchase Price will be equal to: **(a)** the Individual Purchase Price of the Affected Claims less any principal amount recovered or collected by the Issuer on the Affected Claims, plus **(b)** interest accrued or accruing on the Individual Purchase Price of the Affected Claims from the Issue Date (included) until the Payment Date (excluded) following the date in which the relevant payment of the Affected Claims Purchase Price has been made, calculated, with reference to each Affected Claim, at the interest rate applied to such Affected Claim; plus **(c)** costs and documented expenses incurred by the Issuer in relation to the Affected Claims as at the date of payment of the Affected Claims Purchase Price. The Affected Claims Purchase Price shall be paid within 7 (seven) Business Days following receipt by the relevant Originator of the Notice of Re-transfer. Within the date of payment of the Affected Claims Purchase Price, the relevant Originator shall deliver to the Issuer: (i) a certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*); (ii) a solvency certificate signed by a legal representative duly authorized by the relevant Originator; and (iii) a certificate of the bankruptcy court ("*tribunale civile – sezione fallimentare*") confirming that the relevant Originator is not subject to any insolvency or similar proceedings. Any and all costs, expenses and duties in relation to the re-transfer of the Affected Claims will be borne by the relevant Originator.

C. The Issuer will exercise in any case the right, granted to it by the Warranty and Indemnity Agreement, to be indemnified in the following cases:

(i) if the re-transfer price is not paid within 7 (seven) Business Days starting from the day on which the relevant Originator gets written Notice of the Re-transfer, and in any other case in which the re-transfer is not finalised for any reason; or

(ii) if, at any time, the representations and warranties contained into the Warranty and Indemnity Agreement, other than to those referring to the Loans, the Mortagage, the Loans Agreement, the Claims and the Real Estate Asset are false or incorrect, and in general if it is not possible to proceed with the repurchase of the Affected Claims; or

(iii) in relation to (a) any damage or loss suffered by the Issuer and related to the Affected Claims which exceeds the Affected Claims Purchase Price, and (b) any reasonable cost/expense that for any reason was not included in the Affected Claims Purchase Price; or

(iv) in any case in which the Issuer considers appropriate, with the prior written consent of the Representative of the Noteholders, in the interest of the Transaction (and such opinion is confirmed by a consultant (advisor)) to apply provision of clause 5 of the Warranty and Indemnity Agreement instead of exercising the right of re-transfer as provided by clause 6 of the Warranty and Indemnity Agreement.

USURY

Under the Warranty and Indemnity Agreement, each of the Originators represented to the Issuer that the interest rates of the Loans comply with the Usury Law and agreed to indemnify the Issuer against any damages, losses, claims, liabilities and costs awarded against or suffered or incurred by it or otherwise arising as a consequence or in relation to any claims being brought by the Borrowers or other third parties on the grounds of the Usury Law.

APPLICABLE LAW AND JURISDICTION

The Warranty and Indemnity Agreement is in Italian. The Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Warranty and Indemnity Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE SERVICING AGREEMENT AND THE BACK-UP SERVICING AGREEMENT

The description of the Servicing Agreement and the Back-Up Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and the Back-Up Servicing Agreement, respectively and is qualified in its entirety by reference to the detailed provisions of such agreements. Prospective Noteholders may inspect a copy of the Servicing Agreement and the Back-Up Servicing Agreement upon request at the registered offices of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Servicing Agreement and the Back-Up Servicing Agreement, as the case may be.

On 26 October 2012, the Issuer, Banca Popolare di Bari (the "**Master Servicer**" and the "**Servicer**") and Cassa di Risparmio di Orvieto (the "**Servicer**", together with Banca Popolare di Bari, the "**Servicers**") entered into a servicing agreement, as subsequently amended and supplemented, (the "**Servicing Agreement**"), pursuant to which (a) each Servicer has agreed to administer, service and the manage the judicial proceedings of the relevant assigned Claims which (except for the activity related to the collection of the amounts due in respect thereof) are not Defaulted Claims (the "**Administration of the Portfolios**"); (b) the Master Servicer has agreed to act as *master servicer* of the Transaction and (i) to carry out supervising activities in order to ensure compliance with the law, pursuant to article 2, paragraph 6-bis of Securitisation Law, (ii) to administer and service all the Defaulted Claims and manage the judicial proceedings in relation to the latters (but expressly excluding any collection activity) (the "**Management of the Defaulted Claims**").

The receipt of cash collections in respect of the Portfolios is the responsibility of the relevant Servicer who will be the *soggetto incaricato della riscossione dei crediti ceduti* pursuant to article 2(3)(c) of the Securitisation Law and accordingly is responsible for ensuring that such operations comply with the provisions of the law and of this Prospectus.

Pursuant to the terms of the Servicing Agreement, the Servicers and the Master Servicer shall comply with certain collection policies specified in the Servicing Agreement (the "**Collection Policies**") in relation to the collection and recovery activities carried out on behalf of the Issuer and the Master Servicer shall provide the Issuer with monthly reports (the "**Monthly Servicing Report**") and quarterly servicing reports (the "**Quarterly Servicing Report**"). The Servicers shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers and the Master Servicer shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement.

Each of the Servicers shall give order to pay all collections and recoveries received by it in respect of the relevant Portfolio (the "**Collections**") into the relevant Collection Account on a daily basis. Each of the Servicers will convert any non-cash collections received by it into equivalent amounts of cash and will credit such cash to the relevant Collection Account.

As an alternative to the renegotiation power granted to the Servicers and the Master Servicer, and in order to allow the Originators to keep good relationships with the Borrowers, each of the Originators has been given the power to make offers to repurchase Claims whose outstanding amount, plus the outstanding amount of the Claims object of other preceding offers made by the same Originator and already accepted by the Issuer (i) is not higher than the 10 (ten)% of the outstanding principal amount of all Claims of the same Portfolio as of the Effective Date; and (ii) is not higher than the 3 (three)% of the outstanding principal amount of the Claims as of the last Collection Date, save in case necessary in order to avoid differences of treatment among the Borrowers and the other borrowers of the same Originator, following a change of law. The Issuer shall accept such offer, and shall be bound to provide a reasonable motivation in case it decides not to accept it.

FEES AND EXPENSES

As consideration for the services provided by the Servicers and the Master Servicer, the Issuer will pay, on each Payment Date, in accordance with the applicable Order of Priority, the sum of the following amounts:

(a) in favor Banca Popolari di Bari, in its capacity of Servicer, 0.25% of the BPB Collections not being Defaulted Claims (*Crediti in Sofferenza*) or Delinquent Claims (*Crediti in Ritardo*), and not being related to Late Payments, collected by Banca Popolare di Bari during the immediately preceding Collection Period;

(b) in favour of Banca Popolari di Bari, in its capacity of Servicer, 0.35% of the BPB Collections not being Defaulted Claims (*Crediti in Sofferenza*) with respect to Late Payments (*Rate Insolute*) or Delinquent Claims (*Crediti in Ritardo*), collected by Banca Popolare di Bari during the immediately preceding Collection Period;

(c) in favour of Cassa di Risparmio di Orvieto in its capacity of Servicer, 0.25% of the CRO Collections not being Defaulted Claims (*Crediti in Sofferenza*) or Delinquent Claims (*Crediti in Ritardo*), and not being related to Late Payments (*Rate Insolute*), collected by Cassa di Risparmio di Orvieto during the immediately preceding Collection Period;

(d) in favour of Cassa di Risparmio di Orvieto in its capacity of Servicer, 0.35% of the CRO Collections not being Defaulted Claims (*Crediti in Sofferenza*) with respect to Late Payments (*Rate Insolute*) or Delinquent Claims (*Crediti in Ritardo*), collected by Cassa di Risparmio di Orvieto during the immediately preceding Collection Period (the fees under letters (a), (b), (c) and (d), all together, the "**Servicing Fees**");

(e) in favour of Banca Popolari di Bari, in its capacity as Master Servicer, an amount to be paid on an annual basis equal to Euro 5,000.00 (Euro five thousand) for each Portfolio, with respect to the activities carried out by it pursuant to the Servicing Agreement (except for the services provided in the context of the Management of the Defaulted Claims); and

(f) in relation to the Management of the Defaulted Claims, 1% of the collections made with respect to the Defaulted Claims (*Crediti in Sofferenza*) of each Portfolio, collected by Banca Popolare di Bari during the immediately preceding Collection Period, in favour of Banca Popolari di Bari, in its capacity of Master Servicer (such fee, together with the fee to be paid under paragraph (e) above, the "**Master Servicer Fee**").

Each of the Servicers and the Master Servicer has expressly waived their rights to compensation that may be provided for by law other than the Servicing Fees and the Master Servicer Fee. They have also expressly waived their rights to exercise any right to off-set the amounts due to them from the Issuer against the Collections or any other amount owed by the relevant Servicer and/or the Master Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

FURTHER UNDERTAKINGS OF THE SERVICERS AND THE MASTER SERVICER

Each of the Servicers and the Master Servicer has undertaken, *inter alia*, each with respect to the activities in relation to which they have been appointed pursuant to the Servicing Agreement:

(a) to carry out the Administration of the Portfolios and the Management of the Defaulted Claims with due skill and care in accordance with the relevant Collection Policies and with all applicable laws and regulations;

(b) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;

(c) save as otherwise provided in the Collection Policies and in the Servicing Agreement, not to release or consent to the cancellation of all or part of the Claims unless ordered to do so by a competent judicial or other authority or by the Issuer;

(d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the relevant Servicer;

(e) to ensure that the Transaction is consistent with the law and this Prospectus;

(f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of the relevant obligations under the Servicing Agreement; and

(g) to cooperate with the Back-up Servicer and to make available to it any information required from time to time, and any resource belonging to its internal departments, for a reasonable period of time, in order to allow the Back-up Servicer to have a knowledge of (i) the Originators' devices which are used with respect to the Issuer and (ii) the report procedures which are used in the context of the Securitization, in order for the Back-up Servicer to be able to use such devices and report procedures in case of replacement of the Servicer.

In the case of a material breach by the Servicers or the Master Servicer of their obligations under the Servicing Agreement, the Issuer and/or the Representative of the Noteholders shall be entitled, jointly or severally to perform the relevant obligations in the name and on behalf of the Servicers or the Master Servicer or to cause it to be performed by third parties in the name and on behalf of the Servicers or the Master Servicer.

TERMINATION OF APPOINTMENT

The Issuer may revoke the appointment of the Servicers and/or the Master Servicer, and appoint a substitute of the Servicer and/or the Master Servicer (the "**Substitute**"), in certain circumstances including, *inter alia*,

(i) the Representative of the Noteholders or the Issuer have been informed that an event which could negatively impact on the juridical, economic and financial condition of the relevant Servicer and/or the Master Servicer to a point capable of prejudicing the capacity of the relevant Servicer and/or the Master Servicer to perform their obligations under the Servicing Agreement has occurred; in this case the substitution shall occur upon prior written consent of the Representative of the Noteholders and on the basis of a previous assessment proceeding by the Issuer and/or the Representative of the Noteholders (which, in this circumstance, may ask for the advice of professionals specifically appointed);

(ii) the insolvency of the relevant Servicer and/or the Master Servicer;

(iii) a failure by the relevant Servicer or the Master Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 2 Business Days after the relevant statutory request of payment;

(iv) a breach of the obligations under the Servicing Agreement which remain unremedied for more than 10 calendar days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders.

APPLICABLE LAW AND JURISDICTION

The Servicing Agreement is in Italian. The Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Servicing Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy

THE BACK-UP SERVICING AGREEMENT

Under a *back-up servicing* agreement to be entered into on or prior to the Issue Date (the "***Back-Up* Servicing Agreement**"), among the Issuer, the Servicers, the Master Servicer, and Banca Etruria Società Cooperativa ("**Banca Etruria**" or the "***Back-Up Servicer***"), Banca Etruria has undertaken to act as substitute servicer and master servicer respectively of (i) Cassa di Risparmio di Orvieto in case of termination of the appointment of Cassa di Risparmio di Orvieto as *Servicer*, according to the Servicer Agreement, and of (ii) Banca Popolare di Bari in case of termination of the appointment of Banca Popolare di Bari as *Servicer* and *Master Servicer* according to the Servicing Agreement.

The Back-Up Servicing Agreement is in Italian. The Back-Up Servicing Agreement and all non contractual obligations arising out or in connection with the Back-Up Servicing Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Back-Up Servicing Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

DESCRIPTION OF THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents at the registered offices of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Transaction Documents.

THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement entered into on 26 October 2012, as subsequently amended and supplemented, between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider shall provide the Issuer with certain corporate administration and management services. These services shall include the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholders, directors and auditors and the meetings of the Noteholders, maintaining the quotaholders' register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders.

The Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Corporate Services Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE INTERCREDITOR AGREEMENT

Pursuant to an intercreditor agreement to be entered into on or prior to the Issue Date (the "**Intercreditor Agreement**"), between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders) and the Other Issuer Creditors, provisions are made as to the application of the Collections in respect of the Portfolios and as to how the Orders of Priority are to be applied. Subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event, all the Issuer Available Funds will be applied in or towards satisfaction of the Issuer's payment obligations towards the Noteholders as well as the Other Issuer Creditors, in accordance with the Acceleration Order of Priority provided in the Intercreditor Agreement.

Call Option

The Issuer shall grant to each of the Originators an option right on any Payment Date falling on or after the Initial Clean Up Option Date to purchase, subject to certain conditions, the relevant Portfolio (in whole but not in part) for a purchase price equal to the Outstanding Balance, plus interests accrued and unpaid as at such date, of each Claim comprised in the relevant Portfolio, provided that, if on such date the relevant Portfolio comprises any claim classified as "*in sofferenza*" or "*incagliato*" pursuant to the regulation issued by the Bank of Italy, the purchase price of such claim shall be equal to their current value, as determined by a third entity appointed by the relevant Originator and the Issuer and, in any case, such purchase price shall be equal to or higher than the amount (as determined in the relevant Payments Report) necessary for the Issuer to discharge all its outstanding liabilities in respect of the Rated Notes and any amounts required under the Intercreditor Agreement to be paid in priority to or *pari passu* with the Rated Notes.

Swap Collateral

The Intercreditor Agreement also contains the Collateral Account Priority of Payments which describes how amounts and securities standing to the credit of the Collateral Account may be used by the Issuer as described below.

In the event that the Swap Counterparty is required to transfer collateral to the Issuer in respect of its obligations under the Swap Agreement in accordance with the terms of the Credit Support Annex, that collateral will be credited to the Collateral Account, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral, in each case in accordance with the Cash Administration and Agency Agreement. In addition, upon any early termination of any Swap Agreement or novation of the Swap Counterparty's obligations under the Swap Agreement to a replacement swap counterparty, (i) any Replacement Swap Premium received by the Issuer from such replacement swap counterparty and/or (ii) any termination payment received by the Issuer from the outgoing Swap Counterparty pursuant to the Swap Agreement will be credited to the Collateral Account. Any transfer of securities to be made in accordance with the Collateral Account Priority of Payments (as defined below) and payments to be made in cash shall be made from the Collateral Account. The Issuer (or the English Transaction Bank on behalf of the Issuer) shall have the right, at any time, to liquidate securities standing to the credit of the Collateral Account and shall credit the proceeds thereof to the Collateral Account.

Notwithstanding any provision of the Intercreditor Agreement to the contrary, amounts and securities standing to the credit of the Collateral Account will not be available for the Issuer to make payments to the Noteholders and the Other Issuer Creditors generally, but may be applied only in accordance with the following provisions (the "**Collateral Account Priority of Payments**"):

(i) prior to the occurrence or designation of an Early Termination Date in respect of the Swap Agreement, solely in or towards payment of:

(a) any Return Amounts (as defined in the Credit Support Annex);

(b) any Interest Amounts and Distributions (each as defined in the Credit Support Annex) and

(c) any return of collateral to the Swap Counterparty upon a novation of such Swap Counterparty's obligations under the Swap Agreement to a replacement swap counterparty,

on any day (whether or not such day is a Payment Date), directly to the Swap Counterparty in accordance with the terms of the Credit Support Annex;

(ii) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Swap Agreement) in respect of the Swap Agreement where (A) such Early Termination Date (as defined in the Swap Agreement) has been designated following an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer enters into a replacement swap agreement in respect of such Swap Agreement on or around the Early Termination Date of such Swap Agreement, on the later of the day on which such replacement swap agreement is entered into and the day on which the Replacement Swap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is a Payment Date), in the following order of priority:

A. *first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap

agreement with the Issuer with respect to the Swap Agreement being novated or terminated;

B. *second*, in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

C. *third*, the surplus (if any) (a "**Swap Collateral Account Surplus**") on such day to be transferred (i) to the BPB Payments Sub-Account for an amount equal to the BPB Outstanding Notes Ratio of the Swap Collateral Account Surplus and (ii) to the CRO Payments Sub-Account for an amount equal to the CRO Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds;

(iii) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) resulting from a Swap Counterparty Rating Event and in respect of which the Swap Counterparty is the Affected Party (as defined in the Swap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement swap agreement on or around the Early Termination Date of such Swap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement;

(iv) following the occurrence or designation of an Early Termination Date in respect of the Swap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (ii) and (iii) above, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the outgoing Swap Counterparty pursuant to the Swap Agreement; and

(v) following payment of any amounts due pursuant to (iii) and (iv) above, if amounts remain standing to the credit of the Collateral Account, such amounts may be applied on any day (whether or not such day is a Payment Date) only in accordance with the following provisions:

A. *first*, in or towards payment of any Replacement Swap Premium (if any) payable by the Issuer to a replacement swap counterparty in order to enter into a replacement swap agreement with the Issuer with respect to the Swap Agreement being terminated; and

B. *second*, the surplus (if any) (a "**Swap Collateral Account Surplus**") remaining after payment of such Replacement Swap Premium to be transferred (i) to the BPB Payments Sub-Account for an amount equal to the BPB Outstanding Notes Ratio of the Swap Collateral Account Surplus and (ii) to the CRO Payments Sub-Account for an amount equal to the CRO Outstanding Notes Ratio of the Swap Collateral Account Surplus and deemed to form Issuer Available Funds,

provided that if the Issuer has not entered into a replacement swap agreement with respect to the Swap Agreement on or prior to the earlier of:

(x) the day that is 10 Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of a Trigger Event pursuant to Condition 9 (*Trigger Events*)); or

(y) the day on which a Trigger Notice is given pursuant to Condition 9 (*Trigger Events*),

then the Collateral Amount on such day shall be transferred (i) for an amount equal to the BPB

Outstanding Notes Ratio of the Collateral Amount to the BPB Payments Sub-Account and (ii) for an amount equal to the CRO Outstanding Notes Ratio of the Collateral Amount to the CRO Payments Sub-Account as soon as reasonably practicable thereafter and deemed to constitute a Swap Collateral Account Surplus and to form Issuer Available Funds.

The Intercreditor Agreement is in English. The Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Intercreditor Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE DEED OF PLEDGE

Pursuant to a deed of pledge to be entered into on or prior the Issue Date (the "**Deed of Pledge**") between the Issuer, the Noteholders (acting through the Representative of the Noteholders), and the Other Issuer Creditors (acting through the Representative of the Noteholders) (the "**Pledgees**"), the Issuer will grant to the Pledgees as security for its obligations under the Transaction Documents: (i) a pledge over all the monetary contractual claims arising from the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Cash Administration and Agency Agreement (other than the positive balance of the Accounts), the Notes Subscription Agreement, the Limited Recourse Loan Agreement, the Intercreditor Agreement and the Corporate Services Agreement; and (ii) a pledge over the positive balance of the Accounts (other than the Expenses Account, the Quota Capital Account, the Investment Accounts and the Securities Accounts) at the signing date of the Deed of Pledge and thereafter only if such positive balances arise from the collection of the Claims.

The Deed of Pledge is in Italian. The Deed of Pledge and all non contractual obligations arising out or in connection with the Deed of Pledge are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Deed of Pledge including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement to be entered into on or prior to the Issue Date between the Issuer, the Servicers, the Transaction Bank, the English Transaction Bank, the Cash Manager, the Swap Counterparty, the Computation Agent, the Irish Paying Agent, the Principal Paying Agent, the Representative of the Noteholders and the Agent Bank (the "**Cash Administration and Agency Agreement**"):

(a) the Principal Paying Agent will perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders;

(b) the Agent Bank will calculate the amount of interest payable on the Notes on each Payment Date;

(c) the Computation Agent will perform certain other calculations in respect of the Notes and set out, in a payments report, the payments due to be made by the Issuer on each Payment Date in accordance with the applicable Order of Priority and to prepare investors' reports providing information on the performance of the Portfolios;

(d) the Irish Paying Agent will act as paying agent for the Issuer in Ireland; and

(e) the Transaction Bank, the English Transaction Bank and the Cash Manager will provide the Issuer with certain cash administration and investment services, in relation to the monies

standing, from time to time, to the credit of the relevant Accounts.

The Cash Administration and Agency Agreement is in English. The Cash Administration and Agency Agreement and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Cash Administration and Agency Agreement including all non contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE NOTES SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Issue Date between Banca Popolare di Bari, Cassa di Risparmio di Orvieto (the "**Subscribers**"), the Issuer and the Representative of the Noteholders (the "**Notes Subscription Agreement**"), each of the Subscribers shall subscribe for the Notes and pay to the Issuer the Issue Price for the Notes and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders, subject to the conditions set out therein.

The Notes Subscription Agreement is in English language and all non contractual obligations arising out or in connection with the Notes Subscription Agreement are governed by and construed in accordance with Italian law.

THE SWAP AGREEMENT, THE SWAP GUARANTEE AND THE SWAP GUARANTEE SECURITY AGREEMENT

On or about the Issue Date, the Issuer will enter into two fixed-floating interest rate swap transactions, four basis swap transactions and four interest rate cap transactions with the Swap Counterparty (each a "**Swap Transaction**" and collectively the "**Swap Transactions**"). Such Swap Transactions shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together with a Schedule thereto (the "**Schedule**"), a 1995 credit support annex (the "**Credit Support Annex**") and each swap confirmation (each a "**Swap Confirmation**" and together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Swap Agreement**"). The Swap Transactions are entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Class A Notes. The obligations of the Issuer under the Swap Agreement shall be limited recourse to the Issuer Available Funds.

If the Swap Counterparty (or its guarantor or credit support provider, as applicable) is downgraded below any of the required credit ratings set out in the Swap Agreement, the Swap Counterparty will be required to carry out, within the time frame specified in the Swap Agreement, one or more remedial measures at its own cost which include the following:

(a) transfer all of its rights and obligations under the Swap Agreement to an appropriately rated entity;
(b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Swap Agreement; and
(c) post collateral to support its obligations under the Swap Agreement.

Any such collateral will be credited to the Collateral Account, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral and will not be available for the Issuer to make payments to the Other Issuer Creditors generally, but may be applied only in accordance with the Collateral Account Priority of Payments set out in the Intercreditor Agreement.

The occurrence of certain termination events and events of default contained in the Swap Agreement may cause the termination of the Swap Agreement prior to its stated termination date Such events include (1) redemption of the Class A Notes pursuant to Condition 6.3 (*Mandatory redemption*); (2) redemption of the Notes pursuant to Condition 6.2 (*Redemption for Taxation*) or 6.4 (*Optional Redemption*); (3) amendment of any Transaction Document without the prior written consent of the Swap Counterparty if such amendment affects the amount, timing or priority of any payments due from the Swap Counterparty to the Issuer or from the Issuer to the Swap Counterparty, (4) failure by the Swap Counterparty to take certain remedial measures required under the Swap Agreement following a Swap Counterparty Rating Event; and (5) acceleration of the Notes following service of a Trigger Notice.

Pursuant to the Swap Confirmations, with respect to each Payment Date the Issuer will pay the Swap Counterparty an amount equal to the notional amount multiplied by (i) under the fixed-floating swaps, a fixed rate; (ii) under the basis swaps a floating rate calculated with reference to three-month Euribor and six-month Euribor respectively, in each case determined in accordance with the Swap Agreement and reset periodically as specified in the Swap Agreement; and (iii) under the capped basis swaps, a floating rate calculated with reference to three-month Euribor and six-month Euribor respectively, in each case determined in accordance with and reset periodically as specified in the Swap Agreement capped at the maximum rate specified in the relevant Swap Confirmation.

Under each of the Swap Confirmations, with respect to each Payment Date the Swap Counterparty will pay to the Issuer an amount equal to the notional amount multiplied by three-month Euribor payable under the Class A Notes.

As further described in each Swap Confirmation, the notional amount for each Swap Transaction will be calculated with reference to the Principal Instalments of the Receivables hedged thereunder (other than the amount of any Principal Instalments due but unpaid, or that have been prepaid, at the relevant Collection Date and any Principal Instalments relating to Defaulted Receivables) as of the Collection Date preceding the beginning of each Calculation Period (as such term is defined in the Swap Agreement). For each Calculation Period, the notional amount in respect of each Swap Transaction will be the lower of the amount of such Principal Instalments and the scheduled maximum notional amount set forth in the relevant Swap Confirmation, provided that if the Master Servicer fails to deliver the Quarterly Servicer Report in accordance with the provisions of the Swap Agreement, then the notional amount for that Calculation Period (as such term is defined in the Swap Agreement) shall be the lesser of the scheduled maximum notional amount forth in the relevant Swap Confirmation and the notional amount for the previous Calculation Period (as such term is defined in the Swap Agreement).

The Swap Counterparty will be required to make payments pursuant to the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will, subject to certain conditions, be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law may result in the termination of the Swap Agreement. The Issuer will not be required to gross up under the Swap Agreement. Any Swap Tax Credit Amounts payable by the Issuer shall be paid directly to the Swap Counterparty following receipt without regard to the Collateral Account Priority of Payments or the Orders of Priority and shall not form Issuer Available Funds.

The Swap Agreement and any non-contractual obligations arising out of, or in connection with, the Swap Agreement are governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

On or around the Issue Date, the obligations of J.P. Morgan Securities plc as Swap Counterparty under the Swap Agreement will be guaranteed by JPMorgan Chase Bank, N.A. (the "**Swap Guarantor**") pursuant to a New York law governed guarantee (the "**Swap Guarantee**"). The Issuer will create a first ranking security interest over its rights under the Swap Guarantee in favour of the Representative of the Noteholders as security agent pursuant to a New York law governed security document (the "**Swap Guarantee Security Agreement**").

THE LIMITED RECOURSE LOAN AGREEMENT

Pursuant to a limited recourse loan agreement to be entered into on or prior to the Issue Date between Banca Popolare di Bari and Cassa di Risparmio di Orvieto (each a "**Limited Recourse Loan Provider**" and together, the "**Limited Recourse Loan Providers**") and the Issuer (the "**Limited Recourse Loan Agreement**"), each of the Limited Recourse Loan Providers will grant to the Issuer a limited recourse loan in the amount of Euro 20,980,702, in relation to Banca Popolare di Bari, and Euro 5,075,588, in relation to Cassa di Risparmio di Orvieto (the "**Limited Recourse Loans**"). The aggregate amount of the Limited Recourse Loans will be draw down by the Issuer on the Issue Date and immediately credited to the Investment Accounts and the Payments Accounts to be utilised on the Issue Date in order to finance (i) the Liquidity Reserve Amounts and the Retention Amount and (ii) the payment of the BPB Cap Premium Amount and the CRO Cap Premium Amount to the Swap Counterparty. The amounts advanced by the Limited Recourse Loan Providers under the Limited Recourse Loan Agreement shall be repaid in accordance with the applicable Orders of Priority and in the amount of the Limited Recourse Loan Principal Payment.

ENGLISH DEED OF CHARGE

Pursuant to the English deed of charge (the "**Deed of Charge**" and together with the Deed of Pledge and the Swap Guarantee Security Agreement, the "**Security Documents**") to be entered into on the Issue Date, the Issuer (i) will assign absolutely to the Security Trustee on behalf of the Noteholders and the Other Issuer Creditors, all the Issuer's rights, title, interest and benefit (present and future) in, to and under the Swap Agreement (subject to the netting and set-off provisions thereof) and any payments or amounts due thereunder to the Issuer, and (ii) will charge by way of first fixed charge all the Issuer's rights, title, interest and benefit (present and future) actual and contingent in, to and under the Investment Accounts, the Collateral Account and the Securities Accounts, any credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of the Investment Accounts.

The Deed of Charge will be governed by, and will be construed in accordance with, English law.

The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

THE AGREEMENT BETWEEN THE ISSUER AND THE QUOTAHOLDER

Under the terms of an agreement to be entered into on or prior to the Issue Date between the Quotaholder, the Representative of the Noteholders and the Issuer (the "**Agreement between the Issuer and the Quotaholder**") certain rules shall be set out in relation to the corporate governance of the Issuer.

The Agreement between the Issuer and the Quotaholder is in Italian. The Agreement between the Issuer and the Quotaholder and all non contractual obligations arising out or in connection with the Agreement between the Issuer and the Quotaholder shall be governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Agreement between the Issuer and the Quotaholder including all non contractual obligations thereof, the Parties have agreed to submit to the

exclusive jurisdiction of the Courts of Milan, Italy.

WEIGHTED AVERAGE LIFE OF THE RATED NOTES

The maturity and average life of the Class A Notes cannot be predicted, as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown.

Calculations as to the expected maturity and average life of the Class A Notes can be made based on certain assumptions. The tables below show the expected average life and the expected maturity of the Class A Notes, based, among other things, on the following assumptions:

(i) the Issuer will not exercise the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*) or Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*);

(ii) the option rights granted by the Issuer to each Originator to purchase the relevant Portfolio pursuant to clause 12 of the Intercreditor Agreement shall not be exercised;

(iii) all instalments due under the Loans are duly and timely paid;

(iv) there will be no defaulted Loans;

(v) the Claims will be subject to a constant annual prepayment at such rates as shown in the tables below, in equal monthly portions starting from the Effective Date;

(vi) the instalments under the Loans will not be renegotiated upon request of the Borrowers;

(vii) no Trigger Event will occur in respect of the Notes;

(viii) the terms of the Loans will not be affected by the provisions of any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(ix) no purchase/sale/indemnity/renegotiations on the Portfolios is made according to the Transaction Documents;

(x) no variation in the interest rates; and

(xi) the principal on the Notes is assumed to be redeemed with the principal instalments on the Portfolios only while all the interest instalments are assumed to be fully allocated to pay for the items of the applicable Order of Priority ranking senior to the principal on the Class A Notes (i.e. the excess spread is disregarded).

In addition to the above, given that the Class A Notes consist of the Class A1 Notes and the Class A2 Notes, we have considered such Class A1 Notes and Class A2 Notes as a single Class for the purpose of the calculation of their expected maturity and average life.

Constant Prepayment Rate (CPR) (% per annum)	Expected Average Life (years)	Expected Maturity
2.0%	2.58	31 July 2018
4.0%	2.34	31 January 2018
6.0%	2.14	31 July 2017
8.0%	1.98	30 April 2017

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and

do not represent the full range of possibilities for constant prepayment rates.

The average life of the Notes is subject to factors that are largely out of the control of the Issuer. As a consequence no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.

TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Class A Notes and the Class B Notes (as defined below) (the "**Conditions**"). In these Conditions, references to the "**holder**" or to the "**Noteholder**" of a Class A Note and a Class B Note or to a Class A Noteholder and a Class B Noteholder are to the ultimate owners of the Class A Notes and the Class B Notes, as the case may be, issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) Article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) Regulation jointly issued on 22 February 2008 by the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy as subsequently amended and supplemented. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).*

In these Conditions, references to (i) any agreement or other document shall include such agreement or another document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.

The Euro 497,000,000 Class A1 Asset Backed Floating Rate Notes due October 2054 (the "**Class A1 Notes**"), the Euro 120,000,000 Class A2 Asset Backed Floating Rate Notes due October 2054 (the "**Class A2 Notes**" and together with the Class A1 Notes the "**Class A Notes**" or the "**Rated Notes**"), the Euro 198,087,000 Class B1 Asset Backed Floating Rate Notes due October 2054 (the "**Class B1 Notes**") and the Euro 47,790,000 Class B2 Asset Backed Floating Rate Notes due October 2054 (the "**Class B2 Notes**" and together with the Class B1 Notes, the "**Class B Notes**". The Rated Notes and the Class B Notes, together the "**Notes**") are issued by 2012 Popolare Bari SME S.r.l. (the "**Issuer**") on 14 December 2012 (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase of two portfolios of monetary claims and connected rights arising under the mortgage loans and unsecured loans and relevant insurance policies (the "**Portfolios**" and the "**Claims**", respectively) from Banca Popolare di Bari S.c.p.a. ("**Banca Popolare di Bari**" or "**BPB**" or the "**Originator**") and Cassa di Risparmio di Orvieto S.p.A. ("**Cassa di Risparmio di Orvieto**" or "**CRO**" or the "**Originator**" and together with Banca Popolare di Bari, the "**Originators**"), pursuant to article 1 of Italian Law No. 130 of 30 April 1999 ("*Disposizioni sulla cartolarizzazione dei crediti*") ("**Law 130**" or the "**Securitisation Law**").

The Portfolios have been purchased by the Issuer pursuant to two transfer agreements entered into on 26 October 2012 between the Issuer and each of the Originators (collectively, the "**Transfer Agreements**"; and respectively the "**BPB Transfer Agreement**" and the "**CRO Transfer Agreement**"). Representations and warranties in respect of the Portfolios have been made by each of the Originators in favour of the Issuer under a warranty and indemnity agreement entered into between the Issuer and the Originators on 26 October 2012 (the "**Warranty and Indemnity Agreement**").

In these Conditions, any references to (i) the "**holders of the Rated Notes**" or to the Class A Noteholders are to the beneficial owners of the Rated Notes and references to the "**Class B Noteholders**" are to the beneficial owners of the Class B Notes and references to the "**Noteholders**" are to the beneficial owners of the Notes and (ii) any reference to a "**Class**" of Notes shall be construed as a reference to the Class A1 Notes, the Class A2 Notes, the Class B1 Notes or the Class B2 Notes, as the case may be.

The principal source of payment of amounts due under the Notes will be collections and recoveries made in respect of the Portfolios (the "**Collections**"). By operation of article 3 of Law 130, the Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom will be segregated from all the other assets of the Issuer and amounts deriving therefrom will be available, both before and after a

winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Order of Priority (as set out in Condition 4 (*Orders of Priority*). The Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations *vis-á-vis* the Other Issuer Creditors.

Under a servicing agreement entered into on 26 October 2012, as subsequently amended and supplemented, (the "**Servicing Agreement**") between the Issuer and Banca Popolare di Bari as *servicer* and *master servicer*, and Cassa di Risparmio di Orvieto as *servicer* , (i) each of the *servicers* (the "**Servicers**") has agreed to provide the Issuer with administration, collection and recovery services in respect of the relevant assigned Claims (except for the services for which Banca Popolare di Bari has been appointed by the Issuer in its capacity of *master servicer*) and (ii) the sole Banca Popolare di Bari has agreed, inter alia, to act as *master servicer* of the Transaction (the "**Master Servicer**"), and to carry out supervising activities with respect to the transaction in order to ensure compliance with the laws to protect the investors, pursuant to article 2, paragraph 6-bis of Securitisation Law.

Under a *back-up servicing* agreement entered into on or prior the Issue Date (the "***Back-Up* Servicing Agreement**"), among the Issuer, the Servicers and Banca Etruria Società Cooperativa ("**Banca Etruria**" or the "***Back-Up Servicer***"), Banca Etruria has undertaken to act as servicer and master servicer (i) in case of termination of the appointment of Cassa di Risparmio di Orvieto as *Servicer*, according to the Servicer Agreement, and (ii) in case of termination of the appointment of Banca Popolare di Bari as *Servicer* and *Master Servicer* according to the Servicing Agreement.

Under a subscription agreement entered into on or prior the Issue Date, among the Issuer and the Originators and the representative of the Noteholders (the "**Notes Subscription Agreement**"), each of the Originators has subscribed and paid for the Notes upon the terms and subject to the conditions thereof and shall appoint Securitisation Services S.p.A. to act as the representative of the Noteholders (the "**Representative of the Noteholders**").

Under a cash administration and agency agreement entered into on or prior the Issue Date (the "**Cash Administration and Agency Agreement**") among the Issuer, Securitisation Services S.p.A. as Representative of the Noteholders, computation agent (the "**Computation Agent**") and security trustee (the "**Security Trustee**"), The Bank of New York Mellon, acting through its London Branch, as English transaction bank (the "**English Transaction Bank**") and cash manager (the "**Cash Manager**"), The Bank of New York Mellon, (Luxembourg) S.A. Italian Branch as transaction bank (the "**Transaction Bank**"), principal paying agent (the "**Principal Paying Agent**") and agent bank (the "**Agent Bank**"), The Bank of New York Mellon (Ireland) Limited as Irish paying agent (the "**Irish Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**"), J.P. Morgan Securities plc as swap counterparty (the "**Swap Counterparty**"), the Master Servicer, the Originators, the Servicers and the Limited Recourse Loan Providers: (i) the Principal Paying Agent has agreed to carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes; (iii) the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and will set out, in a payments report, the payments due to be made under the Notes on each Payment Date; and (iv) the Transaction Bank, the English Transaction Bank and the Cash Manager has agreed to provide certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the relevant Accounts.

Under a corporate services agreement entered into on 26 October 2012, as subsequently amended and supplemented, (the "**Corporate Services Agreement**") between the Issuer and Securitisation Services

S.p.A. as corporate services provider (the "**Corporate Services Provider**"), the Corporate Services Provider has agreed to provide the Issuer with certain corporate administration services.

Under a limited recourse loan agreement entered into on or prior to the Issue Date (the "**Limited Recourse Loan Agreement**") among the Issuer, Banca Popolare di Bari and Cassa di Risparmio di Orvieto (Banca Popolare di Bari and Cassa di Risparmio di Orvieto, the "**Limited Recourse Loan Providers**"), each of the Limited Recourse Loan Providers has agreed to grant the Issuer a limited recourse loan (the "**Limited Recourse Loan**") in the amount of Euro 20,980,702 in relation to Banca Popolare di Bari, and Euro 5,075,588 in relation to Cassa di Risparmio di Orvieto.

Under two fixed-floating interest rate swap transactions, four basis swap transactions and four interest rate cap transactions to be entered into on or prior the Issue Date (each a "**Swap Transaction**" and collectively the "**Swap Transactions**") between the Issuer and J.P. Morgan Securities plc, as swap counterparty (the "**Swap Counterparty**"), the Issuer has hedged its potential interest rate exposure in relation to its floating rate interest obligations under the Class A Notes. Such Swap Transactions shall be governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) together with a Schedule and a 1995 credit support annex (the "**Credit Support Annex**") thereto (together the "**Master Agreement**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") and each Swap Transaction shall be evidenced by a swap confirmation (each a "**Swap Confirmation**" and together with the Master Agreement, the "**Swap Agreement**").

On the Issue Date, the obligations of J.P. Morgan Securities plc as Swap Counterparty under the Swap Agreement will be guaranteed by JPMorgan Chase Bank, N.A. (the "**Swap Guarantor**") pursuant to a New York law governed guarantee (the "**Swap Guarantee**"). The Issuer will create a first ranking security interest over its rights under the Swap Guarantee in favour of the Representative of the Noteholders as security agent pursuant to a New York law governed security document (the "**Swap Guarantee Security Agreement**").

Under a deed of pledge entered into on or prior to the Issue Date (the "**Deed of Pledge**") between the Issuer, the Noteholders, acting through the Representative of the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the "**Pledgees**"), the Issuer has granted the Pledgees (i) a pledge over all the monetary contractual claims arising from the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Cash Administration and Agency Agreement (other than the positive balance of the Accounts), the Notes Subscription Agreement, the Limited Recourse Loan Agreement, the Intercreditor Agreement and the Corporate Services Agreement; and (ii) a pledge over the positive balance of the Accounts opened in Italy with the Transaction Bank at the signing date of the Deed of Pledge and thereafter only if such positive balances arise from the collection of the Claims.

Under an intercreditor agreement entered into on or prior to the Issue Date (the "**Intercreditor Agreement**") between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Services Provider, the Subscribers, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Computation Agent, the Servicers, the Master Servicer, the Swap Counterparty, the Paying Agents, the Cash Manager, the Limited Recourse Loan Providers, the Security Trustee, the Originators and the Back-Up Servicer, the application of the Issuer Available Funds (as defined below) has been set out. The Representative of the Noteholders has been appointed to exercise certain rights in relation to the Portfolios and in particular will be conferred the exclusive right (and the necessary powers) to make demands, give notices, exercise or refrain from exercising rights and take or refrain from taking actions (also through the Servicers) in relation to the recovery of the Claims in the name and on behalf of the Issuer.

Pursuant to a deed of charge governed by English law executed by the Issuer on or prior the Issue Date

(the "**Deed of Charge**" and together with the Swap Guarantee Security Agreement and the Deed of Pledge, the "**Security Documents**"), the Issuer (i) has assigned absolutely to the Security Trustee on behalf of the Noteholders and the Other Issuer Creditors, all the Issuer's rights, title, interest and benefit (present and future) in, to and under the Swap Transactions (subject to the netting and set-off provisions thereof) and any payments or amounts due on the date of the Deed of Charge and from time to time thereafter to the Issuer, and (ii) has charged by way of first fixed and floating charge all the Issuer's rights, title, interest and benefit (present and future) actual and contingent in, to and under the Investment Accounts, the Collateral Account and the Securities Accounts, any credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of the Investment Accounts.

Under an agreement entered into on or prior to the Issue Date between SVM Securitisation Vehicles Management S.r.l. (the "**Quotaholder**"), the Issuer and the Representative of the Noteholders (the "**Agreement between the Issuer and the Quotaholder**"), certain rules have been set out in relation to the corporate management of the Issuer.

The Issuer has established with the Transaction Bank the following accounts:

(i) two accounts (the "**BPB Collection Account**" and the "**CRO Collection Account**") into which, *inter alia*, respectively the BPB Collections and the CRO Collections will be credited;

(ii) two accounts (the "**BPB Payments Sub-Account**" and the "**CRO Payments Sub-Account**" and, collectively, the "**Payments Accounts**") into which, *inter alia*, respectively, all amounts deriving from the liquidation, disposal or maturity of the Eligible Investments purchased through the funds standing to the credit of the BPB Investment Account or the CRO Investment Account, respectively, will be credited and out of which all payments shall be made according to the applicable Order of Priority and the relevant Payments Report; and

(iii) two accounts (the "**BPB Liquidity Reserve Account**" and the "**CRO Liquidity Reserve Account**") into which all sums payable under item (*Seventh*) of the BPB Pre-Acceleration Order of Priority and under item (*Seventh*) of the CRO Pre-Acceleration Order of Priority will be respectively credited.

The Issuer has established with the English Transaction Bank the following accounts:

(i) two accounts (the "**BPB Investment Account**" and the "**CRO Investment Account**" and together the "**Investment Accounts**") into which, *inter alia*, all amounts standing respectively to the credit of the BPB Accounts (other than the BPB Securities Account) and to the credit of the CRO Accounts (other than the CRO Securities Account) will be transferred for the purpose of investment in Eligible Investments;

(ii) two accounts as necessary (the "**BPB Securities Account**" and the "**CRO Securities Account**" and together the "**Securities Accounts**") for the deposit of the Issuer's entitlement to Eligible Investments, not being cash invested on time deposit, which may be purchased with the monies standing to the credit of the BPB Investment Account or the CRO Investment Account, respectively, and charged in accordance with the provision of the Intercreditor Agreement and the Deed of Charge; and

(iv) a cash and securities account (the "**Collateral Account**") into which (i) any collateral received from the Swap Counterparty pursuant to the Swap Agreement, (ii) any interest or distributions on, and any liquidation or other proceeds of, such collateral, (iii) any Replacement Swap Premium received by the Issuer from a replacement swap counterparty and (iv) any termination payment received by the Issuer from the outgoing Swap Counterparty pursuant to the Swap Agreement shall be credited.

The Issuer has established with Banca Antonveneta S.p.A., Conegliano branch,

(i) an account (the "**Quota Capital Account**") into which, *inter alia*, the sums contributed by the Quotaholder will be credited and held; and

(ii) an account (the "**Expenses Account**") into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer's corporate expenses shall be made.

These Conditions include summaries of, and are subject to, the detailed provisions of the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreement, the Swap Agreement, the Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement, the Deed of Pledge, the Agreement between the Issuer and the Quotaholder and the Deed of Charge (and together with these Conditions, the "**Transaction Documents**"). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the "**Rules of the Organisation of the Noteholders**" and the "**Organisation of the Noteholders**") attached hereto and which form an integral and substantive part of these Conditions.

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

"**Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.3 (*Acceleration Order of Priority*).

"**Accounts**" means collectively the Expenses Account, the Quota Capital Account, the Payments Accounts, the Collection Accounts, the Investment Accounts, the Securities Accounts, the Collateral Account and the Liquidity Reserve Accounts; and "**Account**" means any of them.

"**Accrued Interest**" means, as of the Effective Date and in relation to all the Claims, the portion (if any) of the Interest Instalment falling due on its next scheduled payment date which has already accrued as at that date (excluded) and excluding interests for late payments (*interessi di mora*).

"**Additional Return**" means **(i)** on each Payment Date on which the Pre-Acceleration Order of Priorities apply, (a) in respect of the Class B1 Notes, the Class B1 Notes Additional Return and (b) in respect of the Class B2 Notes, the Class B2 Notes Additional Return, and **(ii)** on each Payment Date on which the Acceleration Order of Priority applies, the Class B Notes Additional Return.

"**Additional Screen Rate**" has the meaning as ascribed in the Condition 5.2 (*Interest Rate*).

"**Agents**" means the English Transaction Bank, the Cash Manager, the Agent Bank, the Transaction Bank the Principal Paying Agent, the Irish Paying Agent, the Computation Agent collectively and "**Agent**" means any of them.

"**Arrears Ratio**" means, with reference to any Payment Date, the ratio between (a) the principal amount

outstanding, as at the Collection Date immediately preceding such Payment Date, of the Delinquent Claims, and (b) the principal amount outstanding of the Portfolios (other than the Defaulted Claims) as at the Collection Date immediately preceding such Payment Date.

"**Article 122a**" means the article 122a of the Capital Requirements Directive.

"**Available Funds**" means in respect of each Payment Date, on which the Acceleration Order of Priority applies, the aggregate of:

(i) all amounts received from the sale of all or part of the Portfolio, should such sale occur, and proceeds (if any) from the enforcement of the Security Documents and the Issuer's Rights;

(ii) the residual balance standing to the credit of the Accounts (other than the Expenses Account, the Quota Capital Account and the Collateral Account);

(iii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the Expenses Account;

(iv) without duplication of the above, all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority); and

(v) without duplication of the above, any Swap Collateral Account Surplus paid into the Payments Accounts in accordance with the Collateral Account Priority of Payments.

"**Back-Up Servicer**" means Banca Entruria or any other entity from time to time acting as back-up servicer.

"**Back-Up Servicing Agreement**" means the back-up servicing agreement entered into among the Issuer, the Servicers, the Master Servicer and Banca Etruria Società Cooperativa on or about the Issue Date, and any further back-up servicing agreement as effective from time to time, according to which Banca Etruria has undertaken to act as substitute servicer and master servicer respectively of (i) Cassa di Risparmio di Orvieto in case of termination of the appointment of Cassa di Risparmio di Orvieto as *Servicer*, according to the Servicer Agreement, and (ii) Banca Popolare di Bari in case of termination of the appointment of Banca Popolare di Bari as *Servicer* and *Master Servicer* according to the Servicing Agreement.

"**Banca Popolare di Bari**" means Banca Popolare di Bari s.c.p.a.

"**Bankruptcy Proceedings**" means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, amministrazione straordinaria*.

"**Borrower**" means the debtors under the Claims and their transferors, assignees and successors.

"**BPB Available Funds**" means in respect of each Payment Date on which the BPB Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

(i) all the sums received or recovered by the Issuer from or in respect of the BPB Claims during the Collection Period immediately preceding such Payment Date;

(ii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement in respect to the BPB Swap Transactions (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors

generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

(iii) all amounts received by the Issuer in respect of the BPB Portfolio pursuant to the BPB Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

(iv) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the BPB Investment Account in respect of the Collection Period immediately preceding such Payment Date;

(v) (a) with reference to the First Payment Date only, the BPB Liquidity Reserve Amount, and (b) on each Payment Date falling thereafter, all amounts standing to the credit of the BPB Liquidity Reserve Account on the immediately preceding Payment Date after application of the Pre-Acceleration Order of Priority on such Payment Date;

(vi) interest (if any) accrued on and credited to the BPB Accounts in the Collection Period immediately preceding such Payment Date;

(vii) all amounts received from the sale of all or part of the BPB Portfolio, should such sale occur;

(viii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the BPB Accounts and the BPB Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;

(ix) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the BPB Accounts on the Collection Date immediately preceding such Payment Date;

(x) any Swap Collateral Account Surplus paid into the BPB Payments Sub-Account in accordance with the Collateral Account Priority of Payments; and

(xi) starting from the Payment Date (included) on which the Class A2 Notes are redeemed in full, the BPB Cured Stortfall Amount to be paid out of the CRO Available Funds on the same Payment Date;

and provided that

on each Payment Date starting from the Payment Date (included) on which the Class A1 Notes are redeemed in full, an amount equal to the CRO Cured Shortfall Amount shall be transferred to the CRO Available Funds to be applied under the CRO Pre Acceleration order of Priority on the same Payment Date.

"**BPB Accounts**" means the BPB Collection Account, the BPB Payments Sub-Account, the BPB Liquidity Reserve Account, the BPB Investment Account and the BPB Securities Account.

"**BPB Cap Premium Amount**" means the upfront amount to be paid by the Issuer to the Swap Counterparty under the BPB Interest Rate Cap Transactions on the Issue Date.

"**BPB Claims**" means the monetary receivables and connected rights arising under the Loans, as assigned by Banca Popolare di Bari to the Issuer through the BPB Transfer Agreement.

"**BPB Collections**" means all the amounts collected and/or recovered under the BPB Claims and any amount received by the Issuer from the relevant Servicer pursuant to the Servicing Agreement.

"**BPB Cured Shortfall Amount**" means, in respect of each Payment Date following redemption in full of the Class A2 Notes, the lower of (i) the BPB Shortfall Amount, and (ii) the CRO Available Funds

available after payment of any amount due under items (i) to (xii) of the CRO Pre Acceleration Order of Priority on such Payment Date.

"**BPB Interest Rate Cap Transactions**" means the two interest rate cap transactions entered into on or prior to the Issue Date by the Issuer and the Swap Counterparty referencing the BPB Portfolio.

"**BPB Limited Recourse Loan Principal Payment**" means on any Payment Date falling prior to the delivery of a Trigger Notice, the principal payment due and payable on the BPB Limited Recourse Loan calculated, on each immediately preceding Calculation Date, as the lower of (i) the positive difference between (a) the BPB Liquidity Reserve Amount as of the immediately preceding Payment Date and (b) the BPB Liquidity Reserve Amount on such Payment Date and (ii) the BPB Available Funds minus the aggregate of the amounts to be paid on such Payment Date under items (*First*) to (*Fifteenth*) (both inclusive) of the BPB Pre-Acceleration Order of Priority, provided that on the Final Maturity Date of the Notes or, if earlier, on the Payment Date on which the Rated Notes are redeemed in full, the BPB Limited Recourse Loan Principal Payment shall be equal to the principal amount outstanding of the relevant Limited Recourse Loan.

"**BPB Liquidity Reserve**" means the Liquidity Reserve in relation to the BPB Liquidity Reserve Account.

"**BPB Liquidity Reserve Amount**" means on the Issue Date and on any Payment Date thereafter prior to the delivery of a Trigger Notice, Euro 20,852,591, *provided that* the BPB Liquidity Reserve Amount will be equal to 0 (zero) on the earlier of (i) the Final Maturity Date, (ii) the Final Redemption Date and (iii) the Payment Date on which the Class A1 Notes are redeemed in full.

"**BPB Outstanding Notes Ratio**" means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A1 Notes and Class B1 Notes, and (y) the Principal Amount Outstanding of all the Notes.

"**BPB Portfolio**" means the portfolio of BPB Claims and connected rights arising under the Loans which are sold to the Issuer by Banca Popolare di Bari pursuant to the BPB Transfer Agreement.

"**BPB Pre-Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.1 (*BPB Pre-Acceleration Order of Priority*).

"**BPB Shortfall Amount**" means, in respect of each Payment Date, the higher of (a) zero, and (b) the amount equal to the positive difference between (1) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the BPB Pre-Acceleration Order of Priority on any preceding Payment Date, and (2) the sum of (A) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the CRO Pre-Acceleration Order of Priority on any preceding Payment Dates and (B) the aggregate of the BPB Cured Shortfall Amount transferred to the BPB Available Funds on any preceding Payment Date.

"**BPB Swap Transactions**" means (a) the fixed-floating interest rate swap transaction and the two basis swap transactions entered into on or prior to the Issue Date by the Issuer and the Swap Counterparty referencing the BPB Portfolio or hedging claims that form part of the BPB Portfolio; and (b) the BPB Interest Rate Cap Transactions.

"**BPB Transfer Agreement**" means the transfer agreement entered into between the Issuer and Banca Popolare di Bari on the Transfer Date, under which the latter, as *Originator*, has transferred to the Issuer the BPB Claims.

"**Business Day**" means any day on which banks are open for business in Milan, London and Dublin and on which the Trans-European Automated Real Time Gross Transfer System (or any successor thereto) is open.

"**Calculation Date**" means the third Business Day immediately preceding the relevant Payment Date.

"**Capital Requirements Directive**" or "**CRD**" means the Directives 2006/48/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time.

"**Claims**" means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies, and made up by the BPB Claims and the CRO Claims.

"**Class**" means the Class A1 Notes, the Class A2 Notes, the Class B1 Notes or the Class B2 Notes, as the case may be and "**Classes**" means all of them.

"**Class B Notes Additional Return**" means, on each Payment Date on which the Acceleration Order of Priority applies, an amount equal to the Issuer Available Funds available on such Payment Date after payment of items from (*First*) to (*Thirteenth*) (inclusive) of the Acceleration Order of Priority.

"**Class B1 Notes Additional Return**" means, on each Payment Date on which the BPB Pre-Acceleration Order of Priority applies, an amount equal to the BPB Available Funds available on such Payment Date after payment of items from (*First*) to (*Seventeenth*) (inclusive) of the BPB Pre-Acceleration Order of Priority.

"**Class B2 Notes Additional Return**" means, on each Payment Date on which the CRO Pre-Acceleration Order of Priority applies, an amount equal to the CRO Available Funds available on such Payment Date after payment of items from (*First*) to (*Seventeenth*) (inclusive) of the CRO Pre-Acceleration Order of Priority.

"**Clearstream**" means Clearstream Banking, Société Anonyme.

"**Collateral Account Priority of Payments**" means the order of priority contained in clause 9 of the Intercreditor Agreement.

"**Collateral Amount**" means any amounts or securities standing to the credit of the Collateral Account.

"**Collection Date**" means 31 March, 30 June, 30 September and 31 December of each year.

"**Collection Accounts**" means the BPB Collection Account and/or the CRO Collection Account (as the context requires).

"**Collection Period**" means each period starting on a Collection Date (excluded) and ending on the following Collection Date (included).

"**Collection Policy**" means, with respect to the each Servicer, the collection policy applied by the relevant Servicer in relation to the relevant Portfolio.

"**Collections**" means the BPB Collections and/or the CRO Collections (as the context requires).

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

"**Consolidated Banking Act**" means Legislative Decree No. 385 of 1 September 1993 as subsequently amended.

"**CRA Regulation**" means the Regulation (EC) No 1060/2009.

"**Credit Insurance Policy**" (*Polizze Credito*) means any insurance policy issued in respect of certain Claims, covering, in whole or in part, the risk of default of the relevant Borrower to its obligations under the Loan Agreements.

"**Criteria**" means the criteria used for the selection of the Claims.

"**CRO Available Funds**" means in respect of each Payment Date on which the CRO Pre-Acceleration Order of Priority applies, the aggregate of (without duplication):

(i) all the sums received or recovered by the Issuer from or in respect of the CRO Claims during the Collection Period immediately preceding such Payment Date;

(ii) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Swap Agreement in respect to the CRO Swap Transactions (if and to the extent paid) other than (1) any Collateral Amounts (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments) and (2) any Swap Tax Credit Amounts (which amounts shall be paid directly to the Swap Counterparty when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority);

(iii) all amounts received by the Issuer in respect of the CRO Portfolio pursuant to the CRO Transfer Agreement, the Warranty and Indemnity Agreement and any other Transaction Documents during the Collection Period immediately preceding such Payment Date;

(iv) any profit generated by, or interest accrued and paid on, the Eligible Investments made out of the CRO Investment Account in respect of the Collection Period immediately preceding such Payment Date;

(v) (a) with reference to the First Payment Date only, the CRO Liquidity Reserve Amount, and (b) on each Payment Date falling thereafter, all amounts standing to the credit of the CRO Liquidity Reserve Account on the immediately preceding Payment Date after application of the Pre-Acceleration Order of Priority on such Payment Date;

(vi) interest (if any) accrued on and credited to the CRO Accounts in the Collection Period immediately preceding such Payment Date;

(vii) all amounts received from the sale of all or part of the CRO Portfolio, should such sale occur;

(viii) on the Final Maturity Date or, if earlier, the Payment Date on which the Notes will be redeemed in full, the residual amount standing to the credit of the CRO Accounts and the CRO Outstanding Notes Ratio of the residual amount standing to the credit of the Expenses Account;

(ix) any other amount, not included in the foregoing items, received by the Issuer and standing to the credit of the CRO Accounts on the Collection Date immediately preceding such Payment Date; and

(x) any Swap Collateral Account Surplus paid into the CRO Payments Sub-Account in accordance with the Collateral Account Priority of Payments; and

(xi) starting from the Payment Date (included) on which the Class A1 Notes are redeemed in full, the CRO Cured Shortfall Amount to be paid out of the BPB Available Funds on the same Payment Date;

and provided that:

on each Payment Date starting from the Payment Date (included) on which the Class A2 Notes are redeemed in full, an amount equal to the BPB Cured Shortfall Amount shall be transferred to the BPB Available Funds to be applied under the BPB Pre Acceleration order of Priority on the same Payment Date.

"**CRO Accounts**" means the CRO Collection Account, the CRO Payments Sub-Account, the CRO Liquidity Reserve Account, the CRO Investment Account and the CRO Securities Account.

"**CRO Cap Premium Amount**" means the upfront amount to be paid by the Issuer to the Swap Counterparty under the CRO Interest Rate Cap Transactions on the Issue Date.

"**CRO Claims**" means the Claims assigned by Cassa di Risparmio di Orvieto to the Issuer pursuant to the CRO Transfer Agreement.

"**CRO Collections**" means all the amounts collected and/or recovered under the CRO Claims and any amount received by the Issuer from the relevant Servicer pursuant to the Servicing Agreement.

"**CRO Cured Shortfall Amount**" means, in respect of each Payment Date following redemption in full of the Class A1 Notes, the lower of (i) the CRO Shortfall Amount, and (ii) the BPB Available Funds available after payment of any amount due under items (i) to (xii) of the BPB Pre Acceleration Order of Priority on such Payment Date.

"**CRO Interest Rate Cap Transactions**" means the two interest rate cap transactions entered into on or prior to the Issue Date by the Issuer and the Swap Counterparty referencing the CRO Portfolio.

"**CRO Limited Recourse Loan Principal Payment**" means on any Payment Date falling prior to the delivery of a Trigger Notice, the principal payment due and payable on the CRO Limited Recourse Loan calculated, on each immediately preceding Calculation Date, as the lower of (i) the positive difference between (a) the CRO Liquidity Reserve Amount as of the immediately preceding Payment Date and (b) the CRO Liquidity Reserve Amount on such Payment Date and (ii) the CRO Available Funds minus the aggregate of the amounts to be paid on such Payment Date under items (*First*) to (*Fifteenth*) (both inclusive) of the CRO Pre-Acceleration Order of Priority, provided that on the Final Maturity Date of the Notes or, if earlier, on the Payment Date on which the Rated Notes are redeemed in full, the CRO Limited Recourse Loan Principal Payment shall be equal to the principal amount outstanding of the relevant Limited Recourse Loan.

"**CRO Liquidity Reserve**" means the Liquidity Reserve in relation to the CRO Liquidity Reserve Account.

"**CRO Liquidity Reserve Amount**" means on the Issue Date and on any Payment Date thereafter prior to the delivery of a Trigger Notice, Euro 5,033,699, *provided that* the CRO Liquidity Reserve Amount will be equal to 0 (zero) on the earlier of (i) the Final Maturity Date, (ii) the Final Redemption Date and (iii) the Payment Date on which the Class A2 Notes are redeemed in full.

"**CRO Outstanding Notes Ratio**" means, in respect to any date, the ratio, calculated as at the immediately preceding Payment Date (after application of the relevant Pre-Acceleration Order of Priority) or Issue Date, as applicable, between: (x) the aggregate of the Principal Amount Outstanding of the Class A2 Notes and the Class B2 Notes, and (y) the Principal Amount Outstanding of all the Notes.

"**CRO Portfolio**" means the portfolio of CRO Claims and connected rights arising under Loans which are sold to the Issuer by Cassa di Risparmio di Orvieto pursuant to the CRO Transfer Agreement.

"**CRO Pre-Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.2 (*CRO Pre-Acceleration Order of Priority*).

"**CRO Shortfall Amount**" means, in respect of each Payment Date, the higher of (a) zero, and (b) the amount equal to the positive difference between (1) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the CRO Pre-Acceleration Order of Priority on any preceding Payment Date, and (2) the sum of (A) the aggregate of the sums paid under items (vi), (viii), (x), and (xii) of the BPB Pre-Acceleration Order of Priority on any preceding Payment Dates and (B) the aggregate of the CRO Cured Shortfall Amount transferred to the CRO Available Funds on any preceding Payment Date.

"**CRO Swap Transactions**" (a) the fixed-floating interest rate swap transaction and the two basis swap transactions entered into on or prior to the Issue Date by the Issuer and the Swap Counterparty referencing the CRO Portfolio; and (b) the CRO Interest Rate Cap Transactions.

"**CRO Transfer Agreement**" means the transfer agreement entered into between the Issuer and Cassa di Risparmio di Orvieto on the Transfer Date, under which the latter, as *Originator*, has transferred to the Issuer the CRO Claims.

"**Cumulative Gross Default Ratio**" means, with reference to any Calculation Date before redemption in full of the Rated Notes, the ratio between (a) the principal amount outstanding as at the default date of all the Claims which have been classified as Defaulted Claims from the Effective Date up to the Collection Date immediately preceding such Calculation Date, and (b) the Initial Principal Portfolio.

"**Cured Shortfall Amount**" means the BPB Cured Shortfall Amount and/or the CRO Cured Shortfall Amount, as the context may require.

"**DBRS**" means DBRS Ratings Limited. DBRS Ratings Limited is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority.

"**Defaulted Claims**" means any Claim arising from a Loan: (a) which has been classified "*in sofferenza*" by the relevant Servicer, in accordance with the Collection Policies and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy, or (b) in respect of which there are: (i) 15 or more Late Payments (in case of monthly Instalments), (ii) 8 or more Late Payments (in case of bi-monthly Instalments), (iii) 5 or more Late Payments (in case of quarterly Instalments); (iv) 3 or more Late Payments (in case of semiannually Instalments) and (v) 2 Late Payments (in case of annually Instalments).

"**Defaulting Party**" has the meaning ascribed to it in the Swap Agreement.

"**Delinquent Claims**" means any Claim in respect of which there are any Instalments which have remained unpaid for more than 30 (thirty) days from its scheduled payment date.

"**Delinquent 60 Claims**" means any Claim in respect of which there are any Instalments which have remained unpaid for more than 60 (sixty) days from its scheduled payment date.

"**Delinquent 90 Claims**" means any Claim in respect of which there are any Instalments which have remained unpaid for more than 90 (ninety) days from its scheduled payment date.

"**Disability and Life Insurance Policy**" (*Polizze Infortuni e Vita*) means any insurance policy in respect of certain Claims covering the risk of death, disability and/or accident and illness and/or unemployment and/or acute illness of the Borrower.

"**Early Termination Date**" has the meaning ascribed to it in the Swap Agreement.

"**ECB**" means the European Central Bank.

"**Effective Date**" means the 00.01 of 15 October 2012.

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Union or of the United States and having at least the following ratings:

(a) with respect to Fitch: at least "F1" by Fitch in respect of the short-term rating and at least "A" by Fitch in respect of the long-term rating; and

(b) with respect to DBRS: (1) at least "BBB (high)" by DBRS in respect of long-term debt public rating; or (2) if there is no such public rating, a private rating supplied by DBRS of at least "BBB (high)". In the event of a depository institution which does not have a private rating nor a public

rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the following rating from at least 2 (two) of the following rating agencies (provided that if such public rating is under credit watch negative, or the equivalent, then the rating will be considered one notch below):
(i) a long-term rating of at least "BBB+" by Fitch;
(ii) a long-term rating of at least "BBB+" by S&P;
(iii) a long-term rating of at least "Baa1" by Moody's;

or such other rating being compliant with the criteria established by DBRS and Fitch from time to time.

"**Eligible Investments**" means:

(i) euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposits) or other debt instruments, provided that, in all cases (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the Calculation Date preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; (iii) in the case of bank account or deposit, such bank account or deposit are held in England or Wales with an Eligible Institution and (iv) the debt securities or other debt instruments are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(A) with respect to Fitch, (i) to the extent such investments have a maturity not exceeding 30 calendar days: a long term rating of at least "A" and a short term rating of at least "F1"; (ii) to the extent such investments have a maturity exceeding 30 calendar days but not exceeding the immediately subsequent Payment Date after the relevant investment is made: a long term rating of at least "AA-" and a short term rating of at least "F1+"; or (iii) such other lower rating being compliant with the criteria established by Fitch from time to time;

(B) with respect to DBRS:

(1) with regard to investments having a maturity of less than, or equal to, one month, (a) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are rated by DBRS, "BBB (high)" by DBRS in respect of long-term debt or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the following long-term unsecured, unsubordinated and unguaranteed ratings from at least two of the following rating agencies (provided that if such public rating is under credit watch negative, or the equivalent, then the rating will be considered one notch below):
(i) a long-term rating of at least "BBB+" by Fitch;
(ii) a long-term rating of at least "BBB+" by S&P;
(iii) a long-term rating of at least "Baa1" by Moody's; or

(2) with regard to investments having a maturity between one month and one day and three months, (a) if the issuer or the guarantor (on the basis of an unconditional,

irrevocable, independent first demand guarantee) of such investments are rated by DBRS, "AA (low)" by DBRS in respect of long-term debt and “R-1 (middle)” in respect of short-term debt, or (b) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, the issuer or the guarantor of such investments has the following long-term unsecured, unsubordinated and unguaranteed ratings from at least two of the following rating agencies (provided that if such public rating is under credit watch negative, or the equivalent, then the rating will be considered one notch below):
(i) a long-term rating of at least "AA-" by Fitch;
(ii) a long-term rating of at least "AA-" by S&P;
(iii) a long-term rating of at least "Aa3" by Moody's; or

(3) which has such other lower rating being compliant with the criteria established by DBRS from time to time; or

(ii) any other investment that, upon prior written notice to DBRS and Fitch, does not adversely affect the current ratings of the Class A Notes,

provided that, in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral *and further provided that* in case of downgrade below the rating allowed with respect to DBRS or Fitch, as the case may be, the Issuer shall (i) in case of Eligible Investments being securities, sell the securities, if it could be achieved without a loss, otherwise the relevant security shall be allowed to mature, and (ii) in case of Eligible Investments being deposits, transfer within 30 calendar days the deposits to another account opened in England or Wales with an Eligible Institution at no costs for the Issuer.

"**Euribor**" means the Euro-Zone Inter-bank offered rate.

"**Euro**" and "**€**" means the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957 as amended by, inter alia, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the Treaty of Amsterdam of 2 October 1997.

"**Euroclear**" means Euroclear Bank S.A./N. V., as operator of the Euroclear System.

"**Euro-zone**" means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.

"**Final Maturity Date**" means, in respect of the Notes, the Payment Date falling on October 2054.

"**Final Redemption Date**" means the earlier to occur between: (i) the date when any amount payable on the Claims of each Portfolio will have been paid, and (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer.

"**First Collection Date**" means 31 March 2013.

"**First Collection Period**" means the period starting on the Effective Date (included) and ending on the First Collection Date (included).

"**First Payment Date**" means 30 April 2013.

"**Fitch**" means Fitch Ratings Ltd. and its subsidiaries and any successor or successors thereto. Fitch Ratings Ltd is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority.

"**Impaired Claims**" means any Claim which has been classified "*incagliato*" by the relevant Servicer, in accordance with the relevant Collection Policies and the Bank of Italy regulations, or, in any case, any Claim, not being a Defaulted Claim, in respect of which there are: (i) 10 or more Late Payments (in case of monthly Instalments), (ii) 5 or more Late Payments (in case of bi-monthly Instalments), (iii) 3 or more Late Payments (in case of quarterly Instalments); (iv) 2 or more Late Payments (in case of semiannually Instalments) and (v) 1 Late Payment due but unpaid for more than 270 days (in case of annually Instalments).

"**Individual Purchase Price**" means the purchase price of each Claim, equal to the principal amount outstanding of each Claim (with the exclusion of the claim deriving from Insurance Policies) as at the Effective Date (excluded).

"**Initial Clean Up Option Date**" means the first Payment Date immediately succeeding the Collection Date on which the aggregate principal outstanding amount of both the Portfolios is equal to or less than 30% (thirty per cent.) of the Initial Principal Portfolio.

"**Initial Interest Period**" means the period which begins on (and includes) the Issue Date and ends on (but excludes) the First Payment Date.

"**Initial Principal Portfolio**" means the aggregate principal outstanding amount of the Portfolios as of the Effective Date (excluded), being Euro 862,876,356.12.

"**Instalment**" means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

"**Insurance Company**" means any of the insurance companies granting an Insurance Policy.

"**Insurance Policies**" means, collectively, the Disability and Life Insurance Policies, the Credit Insurance Policies and the Real Estate Insurance Policies.

"**Interest Amount**" has the meaning ascribed to it in Condition 5.3.1.

"**Interest Determination Date**" means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

"**Interest Instalment**" means, in respect of each Claim, the interest component of each Instalment (excluding interests for late payments (*interessi di mora*).

"**Interest Period**" means each period from (and including) a Payment Date to (but excluding) the following Payment Date provided that the Initial Interest Period shall start on the Issue Date (included) an end on the First Payment Date (excluded).

"**Interest Rate**" has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

"**Investment Accounts**" means the BPB Investment Account and/or the CRO Investment Account (as the context requires).

"**Issue Date**" means the date of issuance of the Notes.

"**Issue Price**" means the following percentages of the principal amount of the Class A Notes and the Class B Notes at which respectively the Class A Notes and the Class B Notes will be issued: (a) Class A Notes: 100% and (b) Class B Notes: 100%.

"**Issuer Available Funds**" means the BPB Available Funds and/or the CRO Available Funds and/or the Available Funds (as the context requires).

"**Issuer's Rights**" means (i) the Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom and (ii) the Issuer's rights under the Transaction Documents.

"**Junior Noteholders**" means the Class B Noteholders.

"**Late Payment**" means any Instalment that remains unpaid for 5 (five) days or more after its scheduled payment date.

"**Law 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Legislative Decree No. 239 of 1 April 1996 as subsequently amended.

"**Limited Recourse Loan Principal Payment**" means (a) prior to the delivery of a Trigger Notice, the BPB Limited Recourse Loan Principal Payment and/or the CRO Limited Recourse Loan Principal Payment (as the context requires), and (b) after the delivery of a Trigger Notice, the principal amount outstanding of each Limited Recourse Loans.

"**Liquidity Reserve Accounts**" means the BPB Liquidity Reserve Account and/or the CRO Liquidity Reserve Account (as the context requires).

"**Liquidity Reserve Amount**" means, as applicable, the BPB Liquidity Reserve Amount or the CRO Liquidity Reserve Amount.

"**Loan**" means each loan granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and "**Loans**" means all of them

"**Loan Agreement**" means each agreement by which a Loan has been granted.

"**Mandate**" (*mandato all'incasso*) means the irrevocable mandate to collect any indemnity to be paid under the Disability and Life Insurance Policies (in case the relevant Originator in not named as direct beneficiary of any indemnity to be paid under such policies), released by the Borrower in favour of the relevant Originator in order to guarantee the relevant Loan.

"**Mandatory Redemption**" means the mandatory redemption of the Notes pursuant to Condition 6.3 (*Mandatory Redemption*) of the Notes.

"**Master Servicer**" means Banca Popolare di Bari S.c.p.a.

"**Master Servicer Fees**" means the fees to be paid to the Master Servicer pursuant to article 15.3 of the Servicing Agreement.

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

"**Monthly Servicing Report**" means the monthly report to be prepared by the Master Servicer in accordance with the Servicing Agreement.

"**Monthly Servicing Report Date**" means the twelfth Business Day of each month.

"**Mortgage**" means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

"**Mortgage Loan**" means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and "**Mortgage Loans**" means all of them.

"**Mortgage Loan Agreement**" means each agreement by which a Mortgage Loan has been granted.

"**Most Senior Class of Notes**" means the Class A Notes or, upon redemption in full of the Class A Notes, the Class B Notes.

"**Optional Redemption**" has the meaning ascribed to it in Condition 6.4 (*Optional Redemption*).

"**Order of Priority**" means the BPB Pre-Acceleration Order of Priority or the CRO Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Issuer Available Funds shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement (together the "**Orders of Priority**").

"**Other Issuer Creditors**" means the Limited Recourse Loan Providers, the Swap Counterparty, the Originators, the Servicers, the Master Servicer, the *Back-Up Servicer* (for the sole amounts due by the Issuer under the Back Up Servicing Agreement), the Representative of the Noteholders, the Security Trustee, the Agent Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Corporate Services Provider, the Subscribers, the Cash Manager, the Computation Agent and the Irish Paying Agent.

"**Outstanding Balance**" means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

"**Outstanding Principal**" means in respect to any Claim, on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

"**Payment Date**" means the last calendar day of January, April, July and October in each year or, if any of such a date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

"**Payments Accounts**" means collectively the BPB Payments Sub-Account and the CRO Payments Sub-Account.

"**Payments Report**" means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

"**Portfolios**" means the BPB Portfolio and/or the CRO Portfolio (as the context requires).

"**Principal Amount Outstanding**" means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid prior to such date.

"**Principal Collections**" means any amount of principal (including prepayments) from time to time collected by the Issuer in respect of the Claims (other than Recoveries).

"**Principal Instalment**" means, in respect of each Claim, the principal component of each Instalment.

"**Prospectus**" means this prospectus.

"**Purchase Price**" means the price to be paid by the Issuer for the purchase of each Portfolio under the terms of the relevant Transfer Agreement, calculated as the aggregate of the Individual Purchase Price of each Claim comprised in the relevant Portfolio, which is equal to (i) Euro 695,086,374.68 to be paid to

Banca Popolare di Bari for the purchase of the BPB Portfolio and (ii) Euro 167,789,981.44 to be paid to Cassa di Risparmio di Orvieto for the purchase of the CRO Portfolio.

"**Quarterly Servicing Report**" means the report, containing information as to the collections and recoveries to be made in respect of the relevant Portfolio during each Collection Period, which the Master Servicer has undertaken to prepare and submit on the Quarterly Servicing Report Date.

"**Quarterly Servicing Report Date**" means the twelfth Business Day following each Collection Date.

"**Rated Notes**" means the Class A Notes.

"**Rating Agencies**" means DBRS and Fitch; each a "**Rating Agency**".

"**Real Estate Assets**" means any real estate property which has been mortgaged in favour of the Originators to secure the Claims.

"**Real Estate Insurance Policy**" (*Polizze Immobili*) means any policy of insurance taken out in connection with or as a condition to the granting of a Mortgage Loan which covers the risk of fire, explosion or burst occurring in relation to the relevant Real Estate Asset.

"**Recoveries**" means any recoveries made by the *Master Servicer* or the Servicers in respect of the Defaulted Claims pursuant to the Servicing Agreement.

"**Redemption for Taxation**" has the meaning ascribed to it in Condition 6.2 (*Redemption for Taxation*).

"**Relevant Margin**" has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

"**Replacement Swap Premium**" means the amount payable by the Issuer to a replacement swap counterparty or by a replacement swap counterparty to the Issuer (as the case may be) in order to enter into a replacement swap agreement on substantially the same terms as the Swap Agreement to replace or novate the Swap Agreement.

"**Retention Amount**" means an amount equal to € 20,000.

"**Screen Rate**" has the meaning as ascribed in the Condition 5.2 (*Interest Rate*).

"**Securities Accounts**" means the BPB Securities Account and/or the CRO Securities Account (as the context requires).

"**Security Documents**" means the Deed of Pledge, the Swap Guarantee Security Agreement and the Deed of Charge.

"**Security Interest**" means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Senior Swap Counterparty Termination Payment**" means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty upon a termination of the Swap Transactions pursuant to the Swap Agreement.

"**Servicing Fees**" means the fees to be paid to the Servicers pursuant to Articles 15.1 and 15.2 of the Servicing Agreements.

"**Single Portfolio Available Funds**" means the BPB Available Funds and/or the CRO Available Funds, as the context may require.

"**Subordinated Swap Counterparty Termination Payment**" means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Transactions in respect of which the Swap Counterparty is the sole Affected Party (as defined in

the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement).

"**Subscribers**" means Banca Popolare di Bari and Cassa di Risparmio di Orvieto.

"**Successor**" means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under the relevant Transaction Document or to which under such laws the same have been transferred.

"**Swap Collateral Account Surplus**" has the meaning ascribed to such terms in clause 9 of the Intercreditor Agreement.

"**Swap Counterparty Rating Event**" means any downgrade of the rating of the unsecured and unsubordinated debt obligations of the Swap Counterparty, or the Swap Guarantor, as applicable, below the thresholds specified in accordance with the provisions of the Swap Agreement

"**Swap Guarantee Security Agreement**" means the New York law security entered into on or about the Signing Date between the Issuer and the Representative of the Noteholders (as security agent), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Swap Tax Credit Amount**" means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Swap Agreement) which is payable by the Issuer to the Swap Counterparty pursuant to the Swap Agreement;

"**Three Month EURIBOR**" means Euribor for three months deposits calculated as provided for in Condition 5.2 (*Interest Rate*) of the Notes.

"**Transaction**" means the securitisation transaction of the Portfolios carried out by the Issuer.

"**Transaction Documents**" means collectively the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreement, the Swap Agreement, the Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement, the Deed of Pledge, the Agreement between the Issuer and the Quotaholder, the Deed of Charge and the Conditions.

"**Transfer Agreements**" means the BPB Transfer Agreement and/or the CRO Transfer Agreement (as the context requires).

"**Transfer Date**" means 26 October 2012.

"**Transparency Directive**" means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

"**Trigger Events**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Trigger Notice**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Valuation Dates**" means each of the following dates (included): 31 May 2012 and 15 September 2012.

1. FORM, DENOMINATION, STATUS

(1) The Notes will be held in dematerialised form on behalf of the Noteholders as of the Issue Date, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

(2) Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

(3) The Class A Notes will be issued in denominations of Euro 100,000. The Class B Notes will be issued in denominations of Euro 1,000. The Class A1 Notes and the Class B1 Notes will be subscribed by Banca Popolare di Bari. The Class A2 Notes and the Class B2 Notes will be subscribed by Cassa di Risparmio di Orvieto.

(4) The Issuer has elected Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

(5) The rights and powers of the Noteholders may only be exercised in accordance with the Rules of the Organisation of the Noteholders attached to these Conditions as Exhibit 1, which shall constitute an integral and essential part of these Conditions.

(6) Each Note is issued subject to and has the benefit of the Security Documents.

2. STATUS, PRIORITY AND SEGREGATION

(1) The Notes constitute secured limited recourse obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolios and the other Issuer's Rights. Notwithstanding any other provision of these Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Order of Priority, provided that if the applicable Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Payment Date in accordance with the applicable Order of Priority, the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the applicable Issuer Available Funds may be used for such purpose in accordance with the relevant Order of Priority and provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Final Maturity Date. Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which has remained unpaid to the extent referred to above upon the earlier of (i) following the completion of any proceedings for the recovery of all Claims, the date on which such recoveries (if any) are paid in accordance with the applicable Order of Priority, (ii) following the sale (if any) of the then outstanding Portfolios, the date on which the proceeds of such sale are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Order of Priority), shall be deemed extinguished and the relevant claims irrevocably relinquished, waived and surrendered by the Noteholders to the applicable Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under Article 1469 of the Italian Civil Code.

(2) The Notes are secured by certain assets of the Issuer pursuant to the Security Documents

and in addition, by operation of the Securitisation law, the Issuer's right, title and interest in and to the Portfolios are segregated from all other assets of the Issuer. Amounts deriving from the Portfolios will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Order of Priority set forth in Condition 4 *(Orders of Priority)* and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction.

(3) Prior to the delivery of a Trigger Notice (as defined in Condition 9), with respect to the obligation of the Issuer to pay interest and repay principal on the Notes: (a) the Class A1 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the BPB Pre-Acceleration Order of Priority; (b) the Class B1 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A1 Notes in accordance with the BPB Pre-Acceleration Order of Priority; (c) the Class A2 Notes shall rank *pari passu* and without any preference or priority among themselves in accordance with the CRO Pre-Acceleration Order of Priority; and (d) the Class B2 Notes shall rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A2 Notes in accordance with the CRO Pre-Acceleration Order of Priority.

Following the delivery of a Trigger Notice (as defined below) with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Rated Notes will rank pari passu and without any preference or priority among themselves and the Class B Notes will rank pari passu and without any preference or priority among themselves but will be subordinated to the Rated Notes in accordance with the Acceleration Order of Priority.

(4) Without prejudice to the provision of Condition 3.7 (*No variation or waiver*), the Intercreditor Agreement contains provisions regarding the fact that the Representative of the Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Order of Priority for the payment of the amounts therein specified.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 below (*Further securitisation*) or as provided for in, or envisaged by, any of the Transaction Documents:

3.1 Negative pledge

create or permit to subsist any Security Interest whatsoever over the Portfolios or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the

Portfolios or any of its assets related to the Transaction; or

3.2 Restrictions on activities

(a) save as provided in Condition 3.10 below (*Further securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

(b) have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (as defined in Article 2359 of the *Codice Civile)* or any employees or premises; or

(c) at any time approve or agree or consent to or do, or permit to be done, any act or thing whatsoever which may be materially prejudicial, prior or following the delivery of a Trigger Notice, to the interests of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders; or

(d) become the owner of any real estate asset; or

(e) become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administrated in Italy or cease to have its centre of main interest in Italy.

3.3 Dividends, Distributions and Capital Increases

pay any dividend or make any other distribution or return or repay any equity capital to its Quotaholder (or successor quotaholders), or issue any further quota or shares; or

3.4 De-registrations

ask for de-registration/suspension from the register of the special purpose vehicles held by the Bank of Italy pursuant to the Bank of Italy regulation dated 29 April 2011, for as long as Law 130, or any other applicable law or regulation requires the company incorporated pursuant to Law 130 to be registered therewith; or

3.5 Borrowings

incur any indebtedness in respect of any borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person other than for the purposes of the Transaction; or

3.6 Merger

consolidate or merge with any person or convey or transfer any of its properties or assets to any person; or

3.7 No variation or waiver

permit any of the Transaction Documents to which it is party or the Swap Guarantee Security Agreement to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the holders of the Rated Notes; or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party or the Swap Guarantee Security Agreement, in a way which may negatively affect the interest of the holders of the Rated Notes; or permit any party to any of the Transaction Documents to which it is a party or the Swap Guarantee Security Agreement to be released from its obligations thereunder, if such release may negatively affect the interest of the holders of the Rated Notes; provided further that, any amendment, termination discharge or waiver to any Transaction Document or the Swap Guarantee Security Agreement that may affect the amount,

timing or priority of any payments due from either party under the Swap Agreement, shall be notified to and will be subject to the prior written approval of the Swap Counterparty; or

3.8 Bank Accounts

have an interest in any bank account other than the Accounts; or

3.9 Statutory Documents

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo*), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or

3.10 Further securitisation

None of the covenants in Condition 3 (*Covenants*) above shall prohibit the Issuer from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Transaction, further portfolios of monetary claims in addition to the Claims either from the Originators or from any other entity (the "**Further Portfolios**");

(ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**");

(iii) entering into agreements and transactions, with the Originators or any other entity, that are incidental to or necessary in connection with such Further Securitisation including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"), provided that:

(A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;

(B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;

(C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;

(D) the Issuer has notified in writing the Rating Agencies of its intention to carry out a Further Securitisation and provided that any such Further Securitisation would not adversely affect the then current rating of any of the Class A Notes;

(E) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include: (I) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (D) above; and (II)

provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this provision;

(F) such further securitisation shall not affect the qualification of the Class A Notes as eligible collateral (if applicable), within the meaning of the guidelines issued by the European Central Bank in September 2011 (*The implementation of monetary policy in the Euro area*), as subsequently amended and supplemented, for liquidity and/or open market transactions carried out with a central bank in the Eurozone; and

(G) the Representative of the Noteholders is satisfied that conditions (A) to (F) of this provision have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

None of the covenants in Condition 3 (*Covenants*) above shall prohibit the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

4. ORDERS OF PRIORITY

4.1 BPB Pre-Acceleration Order Of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 or (iii) an Optional Redemption pursuant to Condition 6.4, the BPB Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**BPB Pre-Acceleration Order of Priority**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the BPB Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the BPB Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the BPB Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the BPB Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction

Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer; (ii) the Master Servicer Fees to the Master Servicer and the Servicing Fees to the Servicer both in respect of the BPB Portfolio;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the BPB Swap Transactions only) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment *provided that* any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only (a) to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty, and (b) in an amount equal to the BPB Outstanding Notes Ratio of such amount;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes;

(vi) *Sixth*, to pay, in the relevant order, all amounts due under items (*First*) to (*Fifth*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(vii) *Seventh*, to credit the BPB Liquidity Reserve Account with the BPB Liquidity Reserve Amount due on such Payment Date;

(viii) *Eighth*, to pay all amounts due under item (*Seventh*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(ix) *Ninth*, towards payment (*pari passu* and *pro rata* to the extent of the respective amounts thereof) of the Principal Amount Outstanding of the Class A1 Notes;

(x) *Tenth*, following redemption in full of the Class A1 Notes, to pay all amounts due under item (*Ninth*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(xi) *Eleventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full any Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty, to pay the BPB Outstanding Notes Ratio of any due but unpaid Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty;

(xii) *Twelfth*, to pay all amounts due under item (*Eleventh*) of the CRO Pre-Acceleration Order of Priority, to the extent unpaid following application of the CRO Available Funds under the CRO Pre-Acceleration Order of Priority;

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) BPB, pursuant to the BPB Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement;

(b) the Master Servicer and the Servicer pursuant to the Servicing Agreement in respect of the BPB Portfolio, to the extent not already paid under other items of this Order of Priority;

(xiv) *Fourteenth*, to pay interest due and payable on the BPB Limited Recourse Loan pursuant to the terms of the Limited Recourse Loan Agreement;

(xv) *Fifteenth*, to pay interest due and payable on the Class B1 Notes (other than the Class B1 Notes Additional Return);

(xvi) *Sixteenth*, to reimburse principal on the BPB Limited Recourse Loan, in an amount equal to the BPB Limited Recourse Loan Principal Payment;

(xvii) *Seventeenth*, following redemption in full of the Class A Notes: towards payment (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, of the Principal Amount Outstanding of the Class B1 Notes (until the Principal Amount Outstanding of the Class B1 Notes is equal to Euro 1,000), and (b) on the earlier of the Final Redemption Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B1 Notes in full;

(xviii) *Eighteenth*, to pay the Class B1 Notes Additional Return;

(xix) *Nineteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus to BPB,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report within 2 Business Days prior to the Calculation Date (or should it receive the Quarterly Servicing Report only in respect of the CRO Portfolio),

(i) it shall prepare the Payments Report by applying the BPB Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the BPB Liquidity Reserve Account on the immediately preceding Payment Date (after application of the BPB Pre-Acceleration Order of Priority on such Payment Date), *plus*

(b) the aggregate amount transferred from the BPB Collection Account to the BPB Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

(c) all amounts due and payable to the Issuer 2 Business Days preceding the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex;

towards payment only of items from (*First*) to (*Sixth*) (but excluding the Master Servicer Fees to the Master Servicer under item (*Third*)) of the BPB Pre-Acceleration Order of Priority, and

(ii) any amount that would otherwise have been payable under items from (*Seventh*) to (*Nineteenth*) of the BPB Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Master Servicer Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are

enough BPB Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Eighth*), (*Tenth*), and (*Twelfth*) of the CRO Pre-Acceleration Order of Priority.

4.2 CRO Pre-Acceleration Order Of Priority

Prior to (i) the service of a Trigger Notice, (ii) a Redemption for Taxation pursuant to Condition 6.2 or (iii) an Optional Redemption pursuant to Condition 6.4, the CRO Available Funds shall be applied on each Payment Date in making or providing for the following payments, in the following order of priority (the "**CRO Pre-Acceleration Order of Priority**" and, together with the BPB Pre-Acceleration Order of Priority, the "**Pre-Acceleration Order of Priorities**" and any of them a "**Pre-Acceleration Order of Priority**") (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the CRO Outstanding Notes Ratio of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the CRO Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the CRO Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) (i) the CRO Outstanding Notes Ratio of the fees, expenses and all other amounts due and payable to the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer; (ii) the Master Servicer Fees to the Master Servicer and the Servicing Fees to the Servicer, both in respect of the CRO Portfolio;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement (which, with respect to periodic payments and payments of premia, shall include amounts due and payable in respect of the CRO Swap Transactions only) other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment *provided that* any Senior Swap Counterparty Termination Payment due to the Swap Counterparty shall be payable pursuant to this item only (a) to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full the Senior Swap Counterparty Termination Payment due to the Swap Counterparty, and (b) in an amount equal to the CRO Outstanding Notes Ratio of

such amount;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A2 Notes;

(vi) *Sixth*, to pay, in the relevant order, all amounts due under items *(First)* to *(Fifth)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(vii) *Seventh*, to credit the CRO Liquidity Reserve Account with the CRO Liquidity Reserve Amount due on such Payment Date;

(viii) *Eighth*, to pay all amounts due under item *(Seventh)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(ix) *Ninth*, towards payment (*pari passu* and *pro rata* to the extent of the respective amounts thereof) of the Principal Amount Outstanding of the Class A2 Notes;

(x) *Tenth*, following redemption in full of the Class A2 Notes, to pay all amounts due under item *(Ninth)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(xi) *Eleventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay in full any Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty, to pay the CRO Outstanding Notes Ratio of any due but unpaid Subordinated Swap Counterparty Termination Payment due to the Swap Counterparty;

(xii) *Twelfth*, to pay all amounts due under item *(Eleventh)* of the BPB Pre-Acceleration Order of Priority, to the extent unpaid following application of the BPB Available Funds under the BPB Pre-Acceleration Order of Priority;

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to: (a) CRO, pursuant to the CRO Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement; (b) the Master Servicer and the Servicer pursuant to the Servicing Agreement in respect of the CRO Portfolio, to the extent not already paid under other items of this Order of Priority;

(xiv) *Fourteenth*, to pay interest due and payable on the CRO Limited Recourse Loan pursuant to the terms of the Limited Recourse Loan Agreement;

(xv) *Fifteenth*, to pay interest due and payable on the Class B2 Notes (other than the Class B2 Notes Additional Return);

(xvi) *Sixteenth*, to reimburse principal on the CRO Limited Recourse Loan, in an amount equal to the CRO Limited Recourse Loan Principal Payment;

(xvii) *Seventeenth*, following redemption in full of the Class A Notes: towards payment (*pari passu* and *pro rata* according to the respective amounts thereof) (a) on each Payment Date preceding the Final Redemption Date and the Final Maturity Date, of the Principal Amount Outstanding of the Class B2 Notes (until the Principal Amount Outstanding of the Class B2 Notes is equal to Euro 1,000), and (b) on the earlier of the Final Redemption

Date and the Final Maturity Date, to pay the Principal Amount Outstanding of the Class B2 Notes in full;

(xviii) *Eighteenth*, to pay the Class B2 Notes Additional Return;

(xix) *Nineteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus to CRO,

provided, however, that should the Computation Agent not receive the Quarterly Servicing Report within 2 Business Days prior to the Calculation Date and the Quarterly Servicing Report completed only in respect of the CRO Portfolio is not delivered to the Computation Agent pursuant to the provision of the Servicing Agreement,

(i) it shall prepare the Payments Report by applying the CRO Available Funds in an amount not higher than:

(a) the amounts standing to the credit of the CRO Liquidity Reserve Account on the immediately preceding Payment Date (after application of the CRO Pre-Acceleration Order of Priority on such Payment Date), *plus*

(b) the aggregate amount transferred from the CRO Collection Account to the CRO Investment Account in the immediately preceding Collection Period (as promptly indicated by the Transaction Bank upon request of the Computation Agent), *plus*

(c) all amounts due and payable to the Issuer 2 Business Days preceding the immediately following Payment Date under the terms of the Swap Agreement, other than any Collateral Amount, any termination payment required to be made under the Swap Agreement and any collateral payable or transferable (as the case may be) under the Credit Support Annex;

towards payment only of items from (*First*) to (*Sixth*) (but excluding the Master Servicer Fees to the Master Servicer under item (*Third*)) of the CRO Pre-Acceleration Order of Priority, and

(ii) any amount that would otherwise have been payable under items from (*Seventh*) to (*Nineteenth*) of the CRO Pre-Acceleration Order of Priority will not be included in the relevant Payments Report and shall not be payable on the relevant Payment Date and shall be payable (together with the relevant Master Servicer Fees) in accordance with the applicable Order of Priority on the first following Payment Date on which there are enough CRO Available Funds and on which details for the relevant calculations will be timely provided to the Computation Agent; for avoidance of any doubt, on such Payment Date no payment shall be made under items (*Eighth*), (*Tenth*), and (*Twelfth*) of the BPB Pre-Acceleration Order of Priority.

4.3 Acceleration Order Of Priority

(a) Following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*), or **(b)** in the event that the Issuer opts for the Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or for the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), the Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case, only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof), (i) all costs, taxes and expenses required to be paid in order to preserve the corporate

existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to fulfill due and payable payment obligations of the Issuer towards third parties (not expressly included in any following item of this Order of Priority) incurred in relation to the Transaction, to the extent that such costs, taxes, expenses and payments are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain a rating of the Rated Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(ii) *Second*, to pay in the following order (i) the fees, expenses and all other amounts due to the Representative of the Noteholders and the Security Trustee, (ii) into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

(iii) *Third*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) fees, expenses and all other amounts due and payable to the Master Servicer, the Servicers, the Cash Manager, the Computation Agent, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Corporate Services Provider and the Back-Up Servicer;

(iv) *Fourth*, to pay all amounts due and payable to the Swap Counterparty under the terms of the Swap Agreement, other than (1) any Swap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Swap Agreement, without regard to the Collateral Account Priority of Payments or the Orders of Priority), (2) any amounts payable pursuant to the Collateral Account Priority of Payments, and (3) any Subordinated Swap Counterparty Termination Payment *provided that* only to the extent that the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Senior Swap Counterparty Termination Payment in full, any due but unpaid Senior Swap Counterparty Termination Payment shall be payable pursuant to this item;

(v) *Fifth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class A1 Notes and the Class A2 Notes;

(vi) *Sixth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes;

(vii) *Seventh*, only to the extent the amounts paid pursuant to the Collateral Account Priority of Payments are insufficient to pay any Subordinated Swap Counterparty Termination Payment in full, to pay any due but unpaid Subordinated Swap Counterparty Termination Payment;

(viii) *Eighth*, to pay to BPB any CRO Cured Shortfall Amount (if any) and to CRO any BPB Cured Shortfall Amount (if any);

(ix) *Ninth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof), any other amount due and payable to the Originators pursuant to any of the Transfer Agreement (including costs and expenses and the insurance *premia* advanced under the Insurance Policies), the Warranty and Indemnity Agreement and the Notes Subscription Agreement;

(x) *Tenth*, to pay (*pari passu* and *pro rata* according to the respective amounts thereof) interest due and payable on the Limited Recourse Loans pursuant to the terms of the Limited Recourse Loan Agreement;

(xi) *Eleventh*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) principal due and payable on the Limited Recourse Loans pursuant to the terms of the Limited Recourse Loan Agreement in an amount equal to the relevant Limited Recourse Loan Principal Payments;

(xii) *Twelfth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) interest due and payable on the Class B1 Notes and on the Class B2 Notes (other than the Class B Notes Additional Return);

(xiii) *Thirteenth*, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the Principal Amount Outstanding of the Class B Notes;

(xiv) *Fourteenth*, to pay the Class B Notes Additional Return (*pari passu and pro rata* to the Principal Amount Outstanding of each relevant Class as at the immediately preceding Payment Date);

(xv) *Fifteenth*, after full and final settlement of all the payments due under this Order of Priority and full redemption of all the Notes, to pay any surplus remaining on the balance of the Accounts (other than the Expenses Account, the Collateral Account and the Quota Capital Account) to the each Originator in proportion to the principal outstanding amount of the relevant Portfolio transferred to the Issuer.

"**Senior Swap Counterparty Termination Payment**" means any termination payment, other than a Subordinated Swap Counterparty Termination Payment, required to be made by the Issuer to the Swap Counterparty upon a termination of the Swap Transactions pursuant to the Swap Agreement.

"**Subordinated Swap Counterparty Termination Payment**" means any termination payment required to be made by the Issuer to the Swap Counterparty pursuant to the Swap Agreement upon a termination of the Swap Transactions in respect of which the Swap Counterparty is the sole Affected Party (as defined in the Swap Agreement) following the occurrence of a Swap Counterparty Rating Event or is the Defaulting Party (as defined in the Swap Agreement).

5. INTEREST

5.1 Payment Dates and Interest Periods

The Notes bear interest on its Principal Amount Outstanding from (and including) the Issue Date at a rate equal to Three Month EURIBOR (as defined below) (or in the case of the Initial Interest Period, the linear interpolation between the 4 and 5 deposits in Euro) plus the relevant Margin.

Save as provided for in Condition 5.8 (*Unpaid Interest*), interest in respect of the Notes is payable in Euro quarterly in arrears on each Payment Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the Interest Rate from time to time applicable to the Notes until the monies in respect thereof have been received by the Representative of the Noteholders or Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 12 (*Notices*).

5.2 Interest Rate

The rate of interest applicable from time to time in respect of the Notes ("**Interest Rate**") will be determined by the Agent Bank, in respect of each Interest Period, on the relevant Interest Determination Date.

There shall be no maximum or minimum Interest Rate. The Interest Rate applicable to each of the Notes for each Interest Period (other than the Initial Interest Period in respect of which the Interest Rate shall be the aggregate of the Relevant Margin and the linear interpolation between the Euribor for 3 weeks and 1 month deposits in Euro) shall be the aggregate of:

(a) the Relevant Margin; and

(b) (A) EURIBOR for three month deposits in Euro calculated as the arithmetic mean of the offered quotations to leading banks (rounded to three decimal places with the mid-point rounded up) for three month Euro deposits in the Euro-zone inter-bank market which appears on Page Euribor01 of Reuters Screen or (i) such other page as may replace Page Euribor01 on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one for which the Agent Bank received a prior written approval by the Representative of the Noteholders to replace the Reuters Page) (the "**Screen Rate**"), at or about 10.00 a.m. (London time) on the relevant Interest Determination Date; or

(B) if the Screen Rate is unavailable at such time for three month Euro deposits, then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to three decimal places with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks (as defined in Condition 5.7 hereof (*Reference Banks and Agent Bank*) as the rate at which three month Euro deposits in a representative amount are offered by that Reference Bank to leading banks in the Euro-zone inter-bank market at or about 10.00 a.m. (London time) on the relevant Interest Determination Date. If, on any such Interest Determination Date, only two of the Reference Banks provide such quotations to the Agent Bank, the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of those two Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such quotation, the Agent Bank shall forthwith consult with the Representative of the Noteholders and the Issuer for the purpose of agreeing one additional bank (or, where none of the Reference Banks provides such a quotation, two additional banks) to provide such a quotation or quotations to the Agent Bank (which bank or banks is or are in the sole and absolute opinion of the Representative of the Noteholders suitable for such purpose) and the rate for the relevant Interest Period shall be determined, as aforesaid, on the basis of the offered quotations of such banks (or, as the case may be, the offered quotations of such bank and the relevant Reference Bank). If no such bank (or banks) is (or are) so agreed or such bank (or banks) as agreed does not (or do not) provide such a quotation (or quotations), then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (A) of this Condition 5.2. shall have applied (the "**Three Month EURIBOR**").

For the purpose of these Conditions, the "**Relevant Margin**" means in respect of:

- Class A1 Notes: 0.3% *per annum*;
- Class A2 Notes: 0.3% *per annum*;

- Class B1 Notes: 3.0% *per annum*;
- Class B2 Notes: 3.0% *per annum*.

5.3 Determination of Interest Rate, Calculation of Interest Amount and Additional Return

5.3.1 The Agent Bank shall, on each Interest Determination Date:

(i) determine the Interest Rate applicable to the Interest Period beginning after such Interest Determination Date (or in the case of the Initial Interest Period, beginning on and including the Issue Date); and

(ii) calculate the Euro amount (the "**Interest Amount**") accrued on the Notes of each Class in respect of each Interest Period. The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Notes of each Class on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) or, in the case of the Initial Interest Period, on the Issue Date, and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

5.3.2 The Computation Agent shall on each Calculation Date determine the Additional Return in respect of each Class B1 Notes and Class B2 Notes (if any) applicable on the Payment Date following such Calculation Date.

5.4 Publication of Interest Rate and Interest Amount

The Agent Bank will cause the Interest Rate and the Interest Amount applicable to each Interest Period and the Payment Date in respect of such Interest Amount, to be notified promptly after their determination to the Issuer, the Representative of the Noteholders, the Computation Agent, the Servicers and the Master Servicer, the Transaction Bank, the English Transaction Bank, the Swap Counterparty, Monte Titoli, Euroclear, Clearstream, the Paying Agents, the Security Trustee and the Irish Stock Exchange and will cause the same to be published through Monte Titoli (if requested by the Issuer and upon its instruction) in accordance with Condition 12 (*Notices*) hereof as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Interest Period in respect of such relevant Interest Determination Date.

5.5 Determination and Calculation by the Representative of the Noteholders

If the Agent Bank (or the Issuer or any other agent appointed for this purpose by the Issuer) does not at any time for any reason determine the Interest Rate and/or does not calculate the Interest Amount (or the Issuer or any other agent appointed for this purpose by the Issuer), the Representative of the Noteholders shall:

5.5.1 determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 above (*Interest Rate*) it shall consider fair and reasonable in all circumstances; and/or (as the case may be), and

5.5.2 calculate the Interest Amount in the manner specified in Condition 5.3 above (*Determination of the Interest Rate, Calculation of the Interest Amount and Additional Return*);

and any such determination and/or calculation shall be deemed to have been made by the Agent

Bank.

5.6 Notification to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*), whether by the Reference Banks (or any of them), the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of fraud (*frode*), wilful default (*dolo*) or gross negligence (*colpa grave*) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

5.7 Reference Banks and Agent Bank

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three Reference banks (the "**Reference Banks**"). The initial Reference Banks shall be Intesa Sanpaolo S.p.A., Unicredit Banca S.p.A., BNP Paribas S.A. In the event that any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the merge with another Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such. The Issuer shall insure that at all times an Agent Bank is appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 12 (*Notices*).

5.8 Unpaid Interest

Without prejudice to Condition 9 (a) (*Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Agent Bank, based upon the information contained in the Payments Report, shall give notice to Monte Titoli, the Issuer and the Representative of the Noteholders and will cause notice to that effect to be given to the Noteholders in accordance with Condition 12 (*Notices*), no later than (3) three Business Days prior to any Payment Date, of any Payment Date on which the Interest Amount on the Notes will not be paid in full.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

Unless previously redeemed in full as provided for in this Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall redeem in whole the Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided for in Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*) below, and without prejudice to Condition 9 (*Trigger Events*).

If any Class cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient Issuer Available Funds for application in or towards such redemption, any amount outstanding whether in respect of interest, principal or other amounts in relation to the Notes shall be finally and definitely cancelled and waived.

6.2 Redemption for Taxation

If the Issuer:

1. has provided the Representative of the Noteholders with: (i) a legal opinion in form and substance satisfactory to the Representative of the Noteholders from a firm of lawyers (approved in writing by the Representative of the Noteholders); and (ii) a certificate from the legal representative of the Issuer; and

2. has given not more than 45 (forty-five) nor less than 15 (fifteen) calendar days' prior written notice to the Representative of the Noteholders and the Noteholders, in accordance with Condition 13 (*Notices*)

to the effect that, following the occurrence of certain legislative or regulatory changes, or official interpretations thereof by competent authorities, the Issuer:

(a) (or the Issuer's Agent) would be required on the next Payment Date to deduct or withhold (other than in respect of a Law 239 Deduction) from any payment of principal or interest on the Class A Notes, any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political or administrative sub-division thereof or any authority thereof or therein or by any applicable authority having jurisdiction; or

(b) would incur increased costs or charges of a fiscal nature (including taxes, duties, assessment or withholdings or deductions) in respect of the Noteholders or the Issuer's assets in respect of the Securitisation;

and

3. in each case the Issuer shall have produced evidence reasonably acceptable to the Representative of the Noteholders that it has the necessary funds (not subject to the interests of any other Person) to discharge all of its outstanding liabilities with respect of the Class A Notes and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with the Class A Notes,

the Issuer may (i) on the first Payment Date on which such necessary funds become available to it, redeem the Class A Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class A Notes and amounts ranking prior thereto or *pari passu* therewith pursuant to the Pre-Acceleration Order of Priority; and (ii) on the first Payment Date on which sufficient funds become available to it, redeem the Class B Notes in whole or in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and pay any amounts required under the Conditions to be paid in priority to or *pari passu* with the Class B Notes.

6.3 Mandatory Redemption

The Notes will be subject to mandatory redemption in full or in part:

A. on each Payment Date in a maximum amount equal to the relevant Principal Amount

Outstanding with respect to such Payment Date in accordance with the Pre-Acceleration Order of Priority;

B. on any date following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); and on the relevant Payment Date in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) or in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding and in accordance with the Acceleration Order of Priority,

if, on each immediately preceding Calculation Date, it is determined that there will be sufficient Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority or the Acceleration Order of Priority, as applicable.

6.4 Optional Redemption

The Issuer may redeem the Notes in whole but not in part (or only the Rated Notes in whole and the Class B Notes in part, if all the Junior Noteholders consent) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date of their redemption, on any Payment Date falling on or after the Initial Clean Up Option Date.

"**Initial Clean Up Option Date**" means the first Payment Date immediately succeeding the Collection Date on which the aggregate principal outstanding amount of both the Portfolios is equal to or less than 30% (thirty per cent.) of the Initial Principal Portfolio.

Such optional redemption shall be effected by the Issuer giving not more than forty-five (45) nor fewer than fifteen (15) days' prior written notice that shall be deemed irrevocable to the Representative of the Noteholders, the Swap Counterparty, the holders of the Rated Notes and to the Rating Agencies in accordance with Condition 12 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders and to the Rating Agencies, has produced evidence reasonably acceptable to the Representative of the Noteholders that it will have the necessary funds, not subject to interests of any other person, to discharge all its outstanding liabilities in respect of the relevant Notes (to be redeemed) and any amounts required under the Acceleration Order of Priority to be paid in priority to or *pari passu* with such Notes and any amount due to the Swap Counterparty (including any termination payments) subordinated to the Rated Notes.

6.5 Sale of the Portfolios

In the following circumstances: (i) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*), or (ii) in the case of Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), or (iii) if, after a Trigger Notice has been served on the Issuer (with a copy to the Servicers and the Master Servicer) pursuant to Condition 9 (*Trigger Events*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of the Portfolios to one or more third parties, the Issuer will be authorised to search for potential purchasers of all (or part only) of the Portfolios. In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall (provided that any bankruptcy or similar proceeding has not been commenced towards the Issuer (including, without limitation, "*fallimento*", "*concordato preventivo*" and "*liquidazione coatta amministrativa*", in accordance with the meaning ascribed to those expressions by Italian law) and in any case if not prevented by, and in compliance with, any applicable law) subject to it being indemnified to its satisfaction, be entitled to sell the Portfolios in the name and on behalf of the Issuer. Should such a sale of the Portfolios take place, the proceeds of such sale shall be

treated by the Issuer as Issuer Available Funds and as from the immediately subsequent Payment Date shall be applied to payments due to be made by the Issuer according to the Acceleration Order of Priority.

The transfer of the Portfolios pursuant to this Condition 6.5 shall be construed as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code with express derogation by the relevant parties of article 1266 of the Italian civil code with reference to the guarantee, granted by the transferor, of the existence of the claims and article 1448 of the Italian civil code shall not apply. The transfer of the Relevant Portfolio shall be subject to payments to the Issuer of the relevant purchase price.

6.6 Notice of Redemption

Any such notice as is referred to in Condition 6.2 (*Redemption for Taxation*) and 6.4 (*Optional Redemption*) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be obliged to redeem the Notes in accordance with this Condition 6 (*Redemption, Purchase and Cancellation*).

6.7 Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines, *inter alia* (on the Issuer's behalf):

(a) the amount of any principal payment due to be made on each Class on the next following Payment Date; and

(b) the Principal Amount Outstanding of each Class on the next following Payment Date (after deducting any principal payment due to be made and payable on that Payment Date), the portion of Interest Amount that will not be paid in full on the following Payment Date (if any) and the Additional Return on the Class B Notes in respect of each Interest Period.

The determination by or on behalf of the Issuer of the amount of any principal payment in respect of each Class and of the Principal Amount Outstanding of each Note and on each Class shall in each case (in the absence of wilful default, gross negligence, bad faith or manifest error) be final and binding on all persons.

The Issuer shall, no later than (3) three Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers and the Master Servicer, the Transaction Bank and the English Transaction Bank and the Paying Agents and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of each Class to be given by the Principal Paying Agent to Monte Titoli, Euroclear, Clearstream and the Noteholders in accordance with Condition 12 *(Notices).* As long as the Notes are not redeemed in full, if no principal payment is due to be made on the Notes on a Payment Date, notice to this effect shall also be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*).

If no principal payment or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the provisions of this Condition 6.7 (*Principal Payments and Principal Amount Outstanding*), such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) and each such determination shall be deemed to have been made by the Issuer.

6.8 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.9 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

All Notes shall be in any case cancelled upon the earlier of (i) the date when any amount payable on the Claims of each Portfolio will have been paid and such amounts (if any) are paid in accordance with the applicable Order of Priority; (ii) the date when all the Claims of each Portfolio then outstanding will have been entirely written off or sold by the Issuer and the proceeds of such sale (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the applicable Issuer Available Funds on such date in accordance with the applicable Order of Priority).

7. PAYMENTS

7.1 Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent, acting as intermediary between the Issuer and the Noteholders, on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli.

7.2 Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

7.3 The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent, subject to the prior written approval of the Representative of the Noteholders (other than in respect of any Paying Agent being the same entity as the Representative of the Noteholders), provided that (as long as the Rated Notes are listed on the Irish Stock Exchange) the Issuer will at all times maintain a paying agent having a registered office in Ireland. The Issuer will cause other than in case specific matter of urgency does not allow such time limits to be met (i) an at least 30 days prior notice to be given to the Noteholders of any replacement of the Paying Agents or (ii) an at least 14 days prior notice to be given to the Noteholders of any change of the registered offices of any Paying Agents, both under (i) and (ii) above in accordance with Condition 12 *(Notices).* The Issuer shall ensure that at all the times a Paying Agent is appointed.

8. TAXATION

All payments with respect to the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatever kind other than a Law 239 Deduction or any other withholding or deduction required to be made by any applicable law (including, for the avoidance of doubt, any withholding or deduction required pursuant to U.S. Foreign Account Tax Compliance Act, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto). Neither the Issuer nor any other Person shall be obliged to pay any additional amount to any Noteholder as a consequence of any such withholding or deduction.

9. TRIGGER EVENTS

If any of the following events (each a "**Trigger Event**") occurs:

(a) *Non-payment:*

(i) having enough Issuer Available Funds available in accordance with the applicable Order of Priority to pay the amount of principal then due and payable on the Rated Notes, the Issuer defaults in the payment of such amount for a period of 5 (five) Business Days from the due date thereof (provided however that, for the avoidance of doubt, non payment of principal on the Notes, due to the Master Servicer not having provided the Quarterly Servicing Report (as described in Condition 4.1 (*BPB Pre-Acceleration Order of Priority*) and Condition 4.2 (*CRO Pre-Acceleration Order of Priority*)) shall not constitute a Trigger Event); or

(ii) irrespective of whether there are Issuer Available Funds available to it sufficient to make such payment in accordance with the applicable Order of Priority on any Payment Date the amount paid by the Issuer as interest on the Class A1 Notes or the Class A2 Notes is lower than the relevant Interest Amount and such non-payment has continued unremedied for a period of five Business Days; or

(b) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes (other than any obligation for the payment of principal or interest on the Rated Notes) or any of the Transaction Documents to which it is a party or the Swap Guarantee Security Agreement and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole and absolute opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders and requiring the same to be remedied; or

(c) *Breach of representation and warranties:*

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect, in the sole and absolute opinion of the Representative of the Noteholders, when made or deemed to be made; or

(d) *Insolvency:*

(i) the Issuer becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento, liquidazione coatta amministrativa, concordato preventivo* and *accordi di ristrutturazione*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the Issuer is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the Issuer are subject to a *pignoramento* or similar procedure having a similar effect (other than any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the opinion of the Representative of

the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by the Issuer or the same proceedings are otherwise initiated against the Issuer and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) the Issuer takes any action for a re-adjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than the Noteholders and the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(e) *Winding up etc.:*

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

(f) *Unlawfulness:*

It is or will become unlawful (in any respect deemed by the Representative of the Noteholders to be material) for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party ot the Swap Guarantee Security Agreement;

then the Representative of the Noteholders:

(i) shall, in the case of the Trigger Event set out under point (a) above;

(ii) shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under points (b) and (c) above;

(iii) may at its sole and absolute discretion but shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to the Servicers, the Rating Agencies, the Swap Counterparty and the Master Servicer) declaring that the Notes have immediately become due and payable at their Principal Amount Outstanding, together with interest accrued thereon, and that the Acceleration Order of Priority shall apply.

Following the delivery of a Trigger Notice, without any further action or formality, all payments of principal, interest and any other amounts due with respect to the Notes, and, on the immediately following Payment Date and on each Payment Date thereafter, all payments due and any amount due to the Other Issuer Creditors and any other creditor of the Issuer under the Transaction shall be made in accordance with the Acceleration Order of Priority.

10. ENFORCEMENT

At any time after the delivery of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer as it may think fit, to enforce repayment of the Notes and payment of interest accrued thereon, but it shall not be bound to take any such steps and/or institute any such proceedings unless:

(i) it shall have been so requested in writing by the holders of at least 75% of the Principal Amount Outstanding of the Class A Notes or unless it shall have been so directed by an Extraordinary Resolution of the Class A Noteholders or, upon the redemption in full of the Class A Notes, the Class B Noteholders; and

(ii) it shall have been fully indemnified and/or secured as to costs, damages and expenses to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

In addition, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contains (i) provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes and (ii) provisions limiting the powers of the Noteholders, *inter alia*, to institute against or join any person in instituting against, the Issuer, any bankruptcy, insolvency or compulsory liquidation and similar proceedings, that shall be deemed to be included in this Conditions and shall be binding on all the Noteholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 9 (*Trigger Events*) above or this Condition 10 (*Enforcement*), by the Representative of the Noteholders shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) the Representative of the Noteholders will have no liability to the Noteholders or the Issuer in connection with the exercise or the non-exercise by it or any of them of their powers, duties and discretion hereunder.

11. THE REPRESENTATIVE OF THE NOTEHOLDERS

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

11.2 Pursuant to the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders.

11.3 The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation of the Noteholders. The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who is appointed at the time of issue of the Notes pursuant to the Notes Subscription Agreement. Each Noteholder is deemed to accept such appointment.

11.4 Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided a successor Representative of the Noteholders is appointed and can resign at any time. Such successor to the Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in

any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or

(b) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or

(c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

11.5 The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction and providing for the indemnification of the Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment. So long as the Rated Notes are listed on the Irish Stock Exchange, any change in the identity of the Representative of the Noteholders shall be notified to the Irish Stock Exchange.

12. NOTICES

So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

So long as the Class A Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Irish Stock Exchange (www.ise.ie) (for the avoidance of doubt, such website does not constitute part of this Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

In addition, so long as the Class A Notes are listed on the Irish Stock Exchange, any notice regarding the Class A Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

13. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes shall be barred by the statute of limitation unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the Relevant Date in respect thereof, unless a case of interruption or suspension of the statute of limitation applies in accordance with Italian law.

"**Relevant Date**" means the date on which principal or interest on the Notes, as the case may be,

become due and payable.

14. GOVERNING LAW AND JURISDICTION

14.1 The Notes are governed by Italian law.

14.2 The Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.

EXHIBIT 1

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I - GENERAL PROVISIONS

Article 1 (*General*)

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Class A Notes and the Class B Notes.

The contents of these Rules are considered included in each Note issued by the Issuer.

Article 2 (*Definitions*)

In these Rules, the following expressions have the following meanings:

"**Basic Terms Modification**" means:

1. a modification of the date of maturity of the relevant Class of Notes;
2. a modification which would have the effect of postponing any day for payment of interest or principal on the Notes;
3. a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of a Class of Notes or the rate of interest applicable in respect of a Class of Notes;
4. a modification which would have the effect of altering the majority of votes required to pass a specific resolution or the quorum required at any meeting;
5. a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of redemption or priority of a Class of Notes;
6. a modification which would have the effect of altering the authorisation or consent by the Class A Noteholders, as pledgees, to applications of funds as provided for in the Transaction Documents;
7. the appointment and removal of the Representative of the Noteholders;
8. an amendment of this definition.

"**Business**" means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting including (without limitation) the passing or rejection of any resolution.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 of these Rules.

"**Class A Noteholders**" means the holders of the Class A Notes.

"**Class B Noteholders**" means the holders of the Class B Notes.

"**Class of Notes**" means the Class A Notes or the Class B Notes, as the context may require and "**Classes of Notes**" means all of them.

"**Extraordinary Resolution**" means a resolution of the Meeting of the Relevant Class Noteholders in

relation to the matters specified under Article 20 of these Rules, duly convened and held in accordance with the provisions of these Rules.

"**Issuer**" means 2012 Popolare Bari SME S.r.l..

"**Meeting**" means the meeting of the Noteholders or a Class of Noteholders (whether originally convened or resumed following an adjournment).

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

"**Notes**" and "**Noteholders**" mean:

(a) in connection with a Meeting of Class A Noteholders, Class A Notes and Class A Noteholders respectively;

(b) in connection with a Meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively;

(c) and otherwise, in the case of a joint Meeting of more than one Class of Notes, any or all of the Class A Notes and the Class B Notes and any or all of the Class A Noteholders and the Class B Noteholders respectively.

"**Person(s)**" means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint stock partnership, or company, joint venture, governmental entity, unincorporated organisation or other entity or association.

"**Principal Paying Agent**" means The Bank of New York Mellon, (Luxembourg) S.A. Milan Branch in its capacity as principal paying agent pursuant to the Cash Administration and Agency Agreement and its permitted successors or assignees from time to time.

"**Proxy**" means, in relation to any Meeting, a person duly appointed to vote.

"**Relevant Class Noteholders**" means the Class A Noteholders or the Class B Noteholders, as the context may require.

"**Relevant Fraction**" means:

(i) for all business other than voting on an Extraordinary Resolution: (a) in case of a meeting of a particular Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes of such Classes of Notes;

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes; or (b) in case of a joint meeting of more than one Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes of such Classes of Notes; and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, three-quarters of the Principal Amount Outstanding of the outstanding Notes in that Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(1) for all Business other than the voting on an Extraordinary Resolution relating to a Basic Terms

Modification, the fraction of the Principal Amount Outstanding of the Notes represented at such Meeting or the fraction of the Principal Amount Outstanding of the Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(2) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, more than fifty per cent. (50%) of the Principal Amount Outstanding of the outstanding Notes in that Class of Note.

"**Representative of the Noteholders**" means Securitisation Services S.p.A. in its capacity as representative of the Noteholders, which expression shall include its successors and any further or other representative of the Noteholders appointed pursuant to the Notes Subscription Agreements and the Rules of the Organisation of the Noteholders.

"**Rules**" means these Rules of the Organisation of the Noteholders.

"**Security Documents**" means the Deed of Pledge, the Swap Guarantee Security Agreement and the Deed of Charge.

"**Secured Parties**" means the beneficiaries of the Security Documents.

"**Specified Office**" means the office of the (i) the Irish Paying Agent located at Windmill Lane, Dublin 2, Ireland; or (ii) Principal Paying Agent located at Via Carducci, 31, 20123, Milan, Italy, as the case may be.

"**Transaction Documents**" shall have the meaning ascribed to it in the Conditions and shall be deemed to include, for the purposes of these Rules, the Swap Guarantee Security Agreement.

"**Voter**" means, in relation to any Meeting, the holder of a Blocked Note.

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued to a Noteholder by the relevant Monte Titoli Account Holder in accordance with the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended, supplemented or restated:

"**Written Resolution**" means a resolution in writing signed by or on behalf of the Relevant Fraction required for an Extraordinary Resolution applicable to the relevant Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting is to be held and in each of the places where the Principal Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

"**48 hours**" means 2 consecutive periods of 24 hours.

Other defined terms and expressions shall have the meaning given to them in the Conditions.

Article 3 (*Organisation purpose*)

Each Class A Noteholder and Class B Noteholder is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to coordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to the Class A Noteholders and/or the Class B Noteholders or, where the context requires, a reference to the

Class A Noteholders and/or the Class B Noteholders collectively.

TITLE II - THE MEETING OF NOTEHOLDERS

Article 4 (*General*)

Subject to Article 20 below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such Class of Notes whether present or not present at such Meeting and whether voting or not voting, and

(1) any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon all the Class B Noteholders; and

(2) in the above case, all the relevant Class of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Principal Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 (fourteen) days of the conclusion of the Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Class A Noteholders and the Class B Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification) and the provisions of these Rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply where outstanding Notes belong to more than one Class of Notes:

(i) Business which in the absolute opinion of the Representative of the Noteholders affects only one Class of Notes shall be transacted at a separate Meeting of the relevant Noteholders;

(ii) Business which in the absolute opinion of the Representative of the Noteholders affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine at its absolute discretion;

(iii) Business which in the absolute opinion of the Representative of the Noteholders affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class of Notes;

(iv) in case of separate Meetings of the holders of each Class of Notes, these Rules shall be applied as if references to the Notes and the Noteholders are to the Notes of the relevant Class of Notes and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class of Notes, as if references to the Notes and the Noteholders are to the Notes of the relevant Class of Notes and to the holders of the Notes of such Classes of Notes.

Article 5 (*Voting Certificates*)

Noteholders may obtain a Voting Certificate from the relevant Monte Titoli Account Holder upon request in accordance with article 21 of the resolution of 22 February 2008 jointly issued by the Bank of Italy and

CONSOB.

Subject to the provision of the resolution of 22 February 2008 jointly issued by the Bank of Italy and CONSOB (as subsequently amended and supplemented), a Voting Certificate shall be valid until the conclusion of the Meeting specified (if any) in the Voting Certificate, or any adjournment of such Meeting held prior to the expiration of the relevant Voting Certificate.

So long as a Voting Certificate is valid, the bearer thereof or any Proxy named therein shall be deemed to be the holder of the relevant Notes to which it relates for all purposes in connection with the Meeting.

Article 6 (*Validity of Voting Certificates*)

A Voting Certificate shall be valid only if it is deposited or sent (also by electronic means) at the Specified Office of the Principal Paying Agent, or at some other place approved by the Principal Paying Agent, at any time prior to the time fixed for a Meeting. If the Principal Paying Agent requires satisfactory proof of the identity of each Proxy named in the relevant Voting Certificate, such proof shall be produced at the Meeting, but the Principal Paying Agent shall not be obliged to investigate the validity of any Voting Certificate or the authority of any Proxy.

Article 7 (*Convening of Meeting*)

The Issuer and the Representative of the Noteholders may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the Principal Amount Outstanding of the outstanding Class of Notes or Classes of Notes in respect of which the Meeting is being convened. If the Issuer fails to take the necessary action to convene a Meeting when obliged to do so, the Meeting may be convened by the Representative of the Noteholders acting solely.

Whenever the Issuer is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the Business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve.

Article 8 (*Notice*)

At least 21 (twenty-one) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the relevant Noteholders and the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 12 *(Notices)* at least 15 (fifteen) days before the date of the Meeting. The notice shall set forth the full text of any resolutions to be proposed and that Voting Certificates shall be obtained to participate to the Meeting.

The 21 (twenty-one) day's notice of any Meeting shall be deemed to be waived by the Noteholders if:

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class of Notes attend the relevant Meeting; or

Noteholders representing 100% (hundred per cent.) of the Principal Amount Outstanding of the relevant Class of Notes request the relevant Meeting.

Article 9 (*Chairman of the Meeting*)

An individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made; (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; or (iii) the Meeting resolves not to approve the appointment made by the Representative of the Noteholders, those present shall elect one of themselves to take the chair failing which the Issuer may appoint a Chairman.

The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman verifies that the Meeting is duly held, coordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10 ***(Quorum and passing of resolutions)***

The quorum at any Meeting shall be at least one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class of Notes or Classes of Notes.

A resolution is validly passed when the majority of the votes cast by the Voters attending the relevant Meeting has been cast in favour of it.

Article 11 (*Adjournment for want of quorum*)

If within 15 (fifteen) minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty-two) days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once by resolution of Meeting that represents less than a Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment. Notice shall be published in accordance with Condition 12 (*Notices*) of the relevant Class of Notes not more than 8 (eight) days before the date of the meeting.

Article 12 (*Adjourned Meeting*)

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, *provided that* no Business shall be transacted at any adjourned Meeting except Business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13 (*Notice following adjournment*)

Article 8 shall apply to any Meeting which is to be resumed after adjournment save that:

(a) 8 (eight) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set forth the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

Article 14 (*Participation*)

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representatives and the Principal Paying Agent;

(c) the statutory auditors (if any) and the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to the Issuer, the Representative of the Noteholders the Issuer or its representatives and the Principal Paying Agent; and

(f) such other person as may be resolved by the Meeting.

Article 15 (*Show of hands*)

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 16 *(Poll)*

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than ten (10) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other Business as the Chairman directs.

Article 17 *(Votes)*

Every Voter shall have one vote in respect of each Euro 1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 18 (*Vote by Proxies*)

Any vote by a Proxy in accordance with the relevant Voting Certificate shall be valid even if such Voting Certificate or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Issuer and the Principal Paying Agent have not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Voting Certificate in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment, except for any appointment of a Proxy expiring prior to such adjournment in accordance with the relevant Voting Certificate. Any person appointed to vote at such Meeting must be re-appointed under a Proxy to vote at the Meeting when it is resumed.

Article 19 (*Exclusive Powers of the Meeting*)

The Meeting shall have exclusive powers:

(a) to approve any Basic Terms Modification, in accordance with Article 20 below;

(b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions (which is not a Basic Term Modification) or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds

deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents.

Article 20 (*Powers exercisable by Extraordinary Resolution*)

A Meeting shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(a) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other Person whether such rights shall arise under these Rules, the Notes or otherwise;

(b) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes or any Class of the Notes for, or the conversion of the Notes or any Class of Notes into, or the cancellation of any of the Notes or any Class of Notes, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(c) power to assent to any alteration of the provisions contained in these Rules, the Notes or any Class of Notes, the Intercreditor Agreement, the Cash Administration and Agency Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(d) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes or any Class of Notes or any other Transaction Document;

(e) power to give any authority, direction or sanction which under the provisions of these Rules or the Notes or any Class of Notes, is required to be given by Extraordinary Resolution;

(f) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intercreditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;

(g) power to authorize or direct the Representative of the Noteholders to serve a Trigger Notice, as a consequence of a Trigger Event under Condition 9 (*Trigger Events*);

(h) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes (but excluding in any case any Trigger Event under Condition 9(a));

(i) following the service of a Trigger Notice, or in any other circumstance upon request of the Issuer, power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s);

(j) power to sanction a Basic Terms Modification;

(k) with respect to the Class A Notes, power to provide the Issuer with the prior consent provided for by Condition 6.2 (*Redemption for Taxation*);

(l) with respect to the Class B Notes, power to provide the Issuer with the prior consents provided for by Condition 6.4 (*Optional Redemption*); and

(m) power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s) when an Extraordinary Resolution is required under the Conditions;

provided that:

A. no Extraordinary Resolution involving a Basic Terms Modification passed by the Relevant Class Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of each of the other Classes of Notes (to the extent that the Notes of each such Class of Notes are then outstanding); and

B. no other Extraordinary Resolution of the Class B Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that the Class A Notes are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that the Class A Notes are then outstanding).

Article 21 (*Challenge of Resolution*)

Each Noteholder who was absent and (or) dissenting can challenge resolutions which are not passed in conformity under the provisions of these Rules.

Article 22 *(Minutes)*

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Article 23 (*Written Resolution*)

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 24 (*Individual Actions and Remedies*)

The right of each Noteholder to bring individual actions or take other individual remedies, that do not amount to bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, to enforce his/her rights under the Notes will be subject to the Meeting not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the interests of the Noteholders. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders in writing of his/her intention;

(b) the Representative of the Noteholders will, without delay, call for the Meeting, in accordance with these Rules;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (*provided that* the same matter can be submitted again to a further Meeting of Noteholders after a reasonable period of time has elapsed); and

(d) if the Meeting passes a resolution not objecting to the enforcement of the individual action or remedy, or if no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prevented from taking such action or remedy.

No individual action or remedy can be taken by a Noteholder to enforce his/her rights under the Notes before the Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

The provisions of the Intercreditor Agreement govern the right of the Noteholders to institute against, or join any other Person in instituting against, the Issuer any bankruptcy, insolvency or compulsory liquidation and similar proceedings.

TITLE III - THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 25 (*Appointment, Removal and Remuneration*)

The appointment of the Representative of the Noteholders takes place at the Meeting in accordance with the provisions of this Article 25, save as in respect of the appointment of the first Representative of the Noteholders that will be Securitisation Services S.p.A.

The Representative of the Noteholders shall be:

1. a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or
2. a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or
3. any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation *of* monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute representative of the Noteholders designated among the entities indicated in 1), 2) and 3) above and until such substitute representative of the Noteholders has entered into the Intercreditor Agreement and the other Transaction Documents to which the Representative of the Noteholders is a party; should said acceptance of appointment by the substitute representative of the Noteholders not occur within thirty days after such termination, the terminated Representative of the Noteholders shall be entitled to appoint, in the name and on behalf of the Issuer, its own successor convening a fee not higher than the fee that such terminated Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The directors, auditors, employees of the Issuer and those who fall within the conditions indicated in Article 2382 and Article 2399 of the Italian Civil Code in respect of the Issuer cannot be appointed Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

As consideration to the Representative of the Noteholders for the obligations undertaken by the same as from the date hereof under these Rules and the Transaction Documents, the Issuer shall pay to the

Representative of the Noteholders an annual fee, such fee being agreed in a separate side letter. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Order of Priority up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

Article 26 (*Duties and Powers*)

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders' interests *vis-a-vis* the Issuer, in accordance with and following any resolution taken by the Meeting. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting to obtain instructions from the Relevant Class Noteholders on any action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25 herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

The Representative of the Noteholders shall in any case be responsible for any loss incurred by the Issuer as a consequence any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall act in accordance with the provisions of article 1176, second paragraph of the Italian Civil Code.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including in proceedings involving the Issuer, creditors' agreement *(concordato preventivo),* forced liquidation *(fallimento)* or compulsory administrative liquidation *(liquidazione coatta amministrativa).*

Article 27 (*Resignation of the Representative of the Noteholders*)

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer and the Rating Agencies without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders and until such new representative of the Noteholders has entered into the Intercreditor Agreement and the other Transaction Documents to which the Representative of the

Noteholders is a party. If a new representative of the Noteholders is not appointed by the Meeting ninety days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, *provided that* any such successor shall satisfy with the conditions of Article 25 herein.

Article 28 (*Exoneration of the Representative of the Noteholders*)

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

1. Without limiting the generality of the foregoing, the Representative of the Noteholders shall not be:

   (i) under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event has occurred;

   (ii) under any obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the Transaction Documents of their obligations under, these rules, the Notes, the Conditions or any other Transaction Document and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each party to any Transaction Document is observing and performing all the obligations on its part contained herein and therein;

   (iii) under any obligation to give notice to any Person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;

   (iv) responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto;

   (v) responsible for or have any duty to make any investigation in respect of or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the purchase or administration of the Portfolios; and (v) any accounts, books, records or files maintained by the Issuer, the Servicers, the Master Servicer, the Principal Paying Agent and the Corporate Services Provider or any other Person in respect of the Portfolios;

   (vi) responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the Persons entitled thereto;

   (vii) responsible for the maintenance of any rating of the Rated Notes by the Rating Agencies or any other credit or rating agencies or any other Person;

   (viii) responsible for or for investigating any matter which is the subject of, any recitals,

statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or any other Transaction Document;

(ix) bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Portfolios or any part thereof whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of remedy or not;

(x) liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules, the Notes or any Transaction Document;

(xi) under any obligation to insure the Portfolios or any part thereof;

(xii) obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for the Noteholders or any relevant Persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(xiii) under any obligation to disclose to any Noteholder, any Other Issuer Creditors or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other Person in connection with these Rules or the Transaction Documents and the Noteholders, the Other Issuer Creditors or any other party shall not be entitled to take any action to obtain from the Representative of the Noteholders any such information (unless and to the extent ordered so to do by a court of competent jurisdiction);

(xiv) bound to take any steps or institute any proceedings after a Trigger Notice is served upon the Issuer following the occurrence of a Trigger Event, or to take any other action (or direct any action to be taken) to enforce any security interest created by the Security Documents or any rights under the Intercreditor Agreement unless it has been indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;

(xv) liable for acting upon any resolution purporting to have been passed at any Meeting of the relevant Class of Notes or Classes of Notes in respect whereof minutes have been made and signed, also in the event that, subsequent to its acting it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders, in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, and

(xvi) liable for not having acted in any manner whatsoever for the protection of the Noteholders' interests in all circumstances where, according to these Rules and the Transaction Documents, it was not expressly required to take any such action.

2. The Representative of the Noteholders may:

(i) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules or to any of the Transaction Documents which in the sole and absolute opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise

agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter;

(ii) agree (in the name and on behalf of the Noteholders) amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of Basic Terms Modification) or to the other Transaction Documents which, in the sole and absolute opinion the Representative of the Noteholders, it may be proper to make, *provided that* (i) the Representative of the Noteholders is of the sole and absolute opinion that such modification will not be materially prejudicial to the interests of the Class A Noteholders, or, in the event the Class A Notes have been redeemed in full, the Class B Noteholders and (ii) a prior written notice is given to the Rating Agencies;

(iii) act on the advice or a certificate or opinion of, or any information obtained from, any lawyer, accountant, banker, broker, credit or rating agencies or other expert whether obtained by the Issuer, or the Representative of the Noteholders or otherwise and shall not, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purported to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable notwithstanding any error contained therein or the non-authenticity of the same;

(iv) call for and accept as sufficient evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by or on behalf of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;

(v) have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, save as expressly otherwise provided herein, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud (*frode*), gross negligence (*colpa grave*) or willful misconduct (*dolo*);

(vi) hold or leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute, and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

(vii) call for, accept and place full reliance on and as sufficient evidence of the facts stated

therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period, any particular Person is, was, or will be, shown in its records as entitled to a particular number of Notes;

(viii) certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and if any proceedings referred to under Condition 9 (d) (*Insolvency etc.*) are disputed in good faith, and any such certificate or opinion shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant Person and if the Representative of the Noteholders so certifies and serves a Trigger Notice pursuant to Condition 9 (*Trigger Events*), it shall, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on its part, be fully indemnified by the Issuer against all fees, costs, expenses, liabilities, losses and charges which it may incur as a result;

(ix) determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant Person and the Representative of the Noteholders shall not be responsible for or required to insure against any cost and loss incurred in connections with any such certificate;

(x) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer.

3. The Representative of the Noteholders shall be entitled to:

(a) call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any other of the Other Issuer Creditors in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;

(b) for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether that such exercise would not be materially prejudicial to the interests of the Noteholders and the Other Issuer Creditors, take into account, among the other things, any confirmation from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;

(c) convene a Meeting of the Noteholders of the relevant Class of Notes or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion, *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions,

proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively.

Any consent, approval or waiver by the Representative of the Noteholders shall be notified to the Rating Agencies.

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if the Representative of the Noteholders shall have reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability, which it may incur as a result of such action.

Article 29 (*Security Documents*)

The Representative of the Noteholders is entitled to exercise all rights granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors under the Deed of Pledge. The Security Trustee is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Other Issuer Creditors under the Deed of Charge and the Swap Guarantee Security Agreement.

The Representative of the Noteholders, acting on behalf of the Secured Parties, agrees:

(a) prior to the enforcement of the Security Documents, to permit the Issuer to collect, in the Secured Parties' interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;

(b) that all funds credited to the Accounts from time to time shall be applied in accordance with the Cash Administration and Agency Agreement and the Intercreditor Agreement and that available funds standing to the credit of certain Accounts specified in the Cash Administration and Agency Agreement may be used for investments in Eligible Investments.

The Secured Parties have irrevocably waived any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Documents except in accordance with the foregoing and the Intercreditor Agreement.

Article 30 (*Indemnity*)

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Notes Subscription Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any Noteholders, all adequately documented costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (the "**Requests**" including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders, or any Person to whom any power, authority or discretion has been delegated by the Representative of the Noteholders, in relation to the preparation and execution of, the exercise, non exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or the Transaction Documents, including but

not limited to duly documented and reasonable legal and travelling expenses and any duly documented stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, or against the Issuer or any other Person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders. It remains in any case understood that no amounts shall be paid by the Issuer for Requests that would have been avoided had the Representative of the Noteholders acted with professional care and diligence.

TITLE IV - THE ORGANISATION OF NOTEHOLDERS UPON A SERVICE OF A TRIGGER NOTICE

Article 31 *(Powers)*

It is hereby acknowledged that, upon service of a Trigger Notice Notice and/or failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam of* the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Claims comprised in the Portfolios, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set forth in these Rules to resolve on the proposed sale.

TITLE V - DISPUTES RESOLUTIONS

Article 32 (*Law and Jurisdiction*)

These Rules are governed by, and will be construed in accordance with, the laws of Italy.

Any disputes arising out of or in connection with the present Rules, including those concerning its validity, interpretation, performance and termination shall be submitted to the exclusive jurisdiction of the courts of Milan, Italy.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

THE SECURITISATION LAW

Law 130 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of Claims, where the sale is to a company created in accordance with Article 3 of Law 130 and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such Claims and all costs and expenses associated with the securitisation transaction.

THE ASSIGNMENT

The assignment of the claims under Law 130 is governed by Article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. The prevailing interpretation of such provisions, which view has been strengthened by article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration in the companies' register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor. Furthermore, the Bank of Italy could require further formalities.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

(a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;

(b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to Article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the "**Bankruptcy Law**"), and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the claims pursuant to the Transfer Agreements has been published in the Official Gazette No. 129 of 3 November 2012 and filed for publication in the companies' register of Treviso on 30 October 2012.

RING-FENCING OF THE ASSETS

By operation of Law 130, the claims relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the claims (including for the avoidance of doubt, any other portfolio purchased by the company pursuant to Law 130). Prior to and on a winding up of such a company, such assets will only be available to holders of the notes issued to finance the acquisition of the relevant claims and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the company in respect of any unpaid debt.

CLAW-BACK OF THE SALE OF THE PORTFOLIOS

The sale of the Portfolios by the Originators to the Issuer may be clawed back by a receiver of the Originator under Article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and the assignment was executed within three months of the admission of the relevant Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of Article 67 applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreement, the Originator has represented and warranted that it was solvent as of the Transfer Date and on the Issue Date.

CLAW-BACK ACTION AGAINST THE PAYMENTS MADE TO COMPANIES INCORPORATED UNDER LAW 130

According to Article 4 of Law 130, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to Article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to Article 67 of the Bankruptcy Law.

INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS

Pursuant to Article 65 of the Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the Bankruptcy Law) is declared bankrupt, any payment made by the Borrower during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy (including accordingly, any prepayments made under the relevant Loan Agreement) are ineffective *vis-à-vis* the Issuer. In this regard, it has to be noted that a recent case from the Italian Supreme Court (*Corte di Cassazione*, judgement No. 19978 of July 18th 2008) stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the

related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the Borrower by specific provisions of law.

However according to the judgment by the Court of Verbania dated 13 August 1999 (published in "*Il Fallimento*", 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, rather refers to previous Italian Supreme Court case law whose subject matter was, as the Italian Supreme Court itself puts it in its judgement No. 20005/2005, the "*injustice of turning a secured claim into a non-secured claim*".

MUTUI FONDIARI

The Mortgage Loans include *inter alia* mortgage loans qualifying as *mutui fondiari*. In addition to the general legislation commonly applicable to mortgage lending, mortgage loans which qualify as *mutui fondiari* are regulated by specific legislation which provides for a number of rights in favour of the mortgage lender that are not provided for by general legislation.

Agreements relating to *mutui fondiari* executed before 1 January 1994 are regulated by the Italian legislation on *credito fondiario* in force prior to that date, which permitted only credit institutions having special license to grant *mutui fondiari*. All other credit institutions were not permitted to conduct mortgage lending business. As of 1 January 1994, under the new legislative framework under the Consolidated Banking Act, all banks having a general banking license became qualified to enter into *mutui fondiari* agreements. The new legislation applies only to *mutui fondiari* agreements executed, and foreclosure proceedings commenced, on or after 1 January 1994.

With respect to the legislative framework under the Consolidated Banking Act, certain provisions under the *mutuo fondiario*'s legislation entitle the lender to commence or continue foreclosure proceedings also after the declaration of insolvency (*fallimento*) of the affected debtor, to receive repayment from the price paid for a mortgaged property at auction up to the price corresponding to the *mutui fondiari* debt directly from the purchaser (without having to await disbursement by the court) and to an assignment of any rentals earned by the mortgaged property, net of administration expenses and taxes.

With respect to the borrowers, such *mutuo fondiario*'s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the Mortgage Loan only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a Mortgage Loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be sufficient to ensure a loan to value of at least 120% (or, according to an interpretation, the original loan to value, if higher).

ORDINARY ENFORCEMENT PROCEEDINGS

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement proceedings by seeking a court order or injunction for payment in the form of an enforcement order (*titolo esecutivo*)

from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (*titolo esecutivo*) from the court. A writ of execution (*atto di precetto*) is notified to the debtor together with either the enforcement order (*titolo esecutivo*) or the loan agreement, as the case may be.

Within (10) ten days of filing, but not later than (90) ninety days from the date on which notice of the writ of execution (*atto di precetto*) is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral (*i.e.* land registry) certificates (*certificati catastali*), which usually take some time to obtain. Law No. 302 should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's evaluation, the court shall determine the minimum bid price for the property at the auction.

If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such

proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

MUTUI FONDIARI ENFORCEMENT PROCEEDINGS

The Mortgage Loans include *inter alia* mortgage loans qualifying as *mutui fondiari*. Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by Article 38 *et seq.* of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to Article 58 of the Consolidated Banking Act, as amended by Article 12 of Decree No. 342, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Enforcement proceedings for mutui fondiari commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the mutuo fondiario lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on mutui fondiari commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the mutuo fondiario provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the mutuo fondiario agreement without having to have a further expert appraisal.

PRIORITY OF INTEREST CLAIMS

Pursuant to Article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently 2.5%) from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

ART. 120-TER OF THE CONSOLIDATED BANKING ACT

Article 120-ter of the Consolidated Banking Act provides that any provision imposing a prepayment

penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity.

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

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

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

ARTICLE 120-QUATER OF THE CONSOLIDATED BANKING ACT

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant mortgage loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code (*surrogato per volontà del debitore*) in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (*atto di surrogazione*) to be made in the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within thirty days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof

of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

CANCELLATION OF MORTGAGES

Art. 40-bis of the Consolidated Banking Act and Law decree No. 7 of 31 January 2007 (the "**Bersani Decree**") as converted into law by Law No. 40 of 2 April 2007, as applicable, set out certain provisions relating to mortgage loans which include, inter alia, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

CONVENTION BETWEEN THE MINISTRY OF ECONOMY AND FINANCE, THE ITALIAN BANKING ASSOCIATION AND ASSOCIATIONS OF THE REPRESENTATIVE OF THE COMPANIES

On the 3rd of August 2009, the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies signed a convention about the temporary suspension of small and middle-sized companies debts to the banking system in order to help companies striked by the financial crisis (the "**PMI Convention**").

The Convention provides, *inter alia*, the possibility of a 12 (twelve) months suspension for the payment of the principal component of the loan's instalments (the "**Suspension**") and the postponement of the payment of such instalments at the end of the original amortization plan of the relevant loan.

All the small and middle-sized companies which (i) on the 30th of September 2008 were solvent (*in bonis*), and (ii) at the moment of the submission of the request, had no financings classified as "*restructured*" (*ristrutturato*) or as "*non-performing*" (*in sofferenza*) and were not subject to enforcement proceedings, are allowed to request the Suspension. Originally, the request for Suspension could be submitted within the 30th of June 2010. On 15 June 2010, an agreement between the Ministry of Economy and Finance, the ABI (*Associazione Bancaria Italiana*) and the associations of the representative of the companies has extended the date within which the request for the Suspension could be submitted until 31 July 2011.

Only the instalments not yet expired or expired (not paid or paid in part) from not more than 180 days before the date of submission of the request for Suspension may be suspended.

ABI has clarified on one hand that securitised claims have not been expressly excluded from the object of the Convention and that assigning banks have to do any reasonable effort to satisfy the requests for Suspension also in respect of securitized claims.

Furthermore, on 28 February 2012 the ABI and the Ministry of Economy and Finance entered into a new convention (the "**New PMI Convention**") providing for, inter alia: (i) a 12-month suspension of payments of instalments in respect of the principal of medium-and long-term loans, which did not benefit from the Suspension. The suspension applies on the condition that the instalments (A) are timely paid or (B) in case of late payments, the relevant instalment has not been outstanding for more than 90 days from the date of request of the suspension; and (ii) the possibility for small and middle-sized companies that have not already requested a Suspension to request an extension of the duration of the relevant loans for a period equal to the residual duration of the relevant loans and in any case for a maximum period of two years for unsecured loans and of three years for mortgage loans.

The Originators have acceded to the New PMI Convention.

INSOLVENCY PROCEEDINGS

A commercial entrepreneur (*imprenditore che esercita un'attività commerciale*) qualifying under article 1 of the Bankruptcy Law may be subject to insolvency proceedings (*procedure concorsuali*). Insolvency proceedings under Bankruptcy Law may take the form of, *inter alia*, bankruptcy (*fallimento*) or a composition with creditors (*concordato preventivo*).

Bankruptcy proceedings are applicable to commercial entrepreneurs that are in state of insolvency. A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors) if it is not able to timely and duly fulfil its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the *curatore fallimentare*, and the creditors' claims have been approved, the sale of the borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur which is in a crisis situation may propose to its creditors a creditors composition (*concordato preventivo*). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, inter alia, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible.

A proposal for a composition plan is approved if it receives the favourable vote of creditors representing the majority of the claims admitted to vote; in case of classes of creditors, such majority shall be verified also in respect of the majority of the classes. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Class A Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.

This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.

1. INCOME TAX

Under the current legislation, pursuant to the combined provision of Article 6, paragraph 1, of Law 130, Articles 1 and 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Law 239**") and Law Decree No. 138/2011 converted into Law No. 148/2011 the ("**Decree 138/2011**"), payments of interest and other proceeds in respect of the Class A Notes:

(i) will be subject to *imposta sostitutiva* at the rate of 20 per cent. in the Republic of Italy levied as final tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; (iii) Italian resident public and private entities, other than companies, not carrying out commercial activities as their exclusive or principal purpose (including the Italian State and public entities); and (iv) Italian resident entities exempt from corporate income tax.

Payments of interest and other proceeds in respect of the Class A Notes will not be included in the general taxable base of the above mentioned individuals, partnerships and entities.

The imposta sostitutiva will be levied by the Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of interest and other proceeds on the Class A Notes or in the transfer of the Class A Notes;

(ii) will be subject to *imposta sostitutiva* at the rate of 20 per cent rate in the Republic of Italy levied as provisional tax if made to beneficial owners who are: (i) individuals resident in the Republic of Italy for tax purposes; (ii) Italian resident non-commercial partnerships; and (iii) Italian resident public and private entities, other than companies; any of them engaged in an entrepreneurial activity – to the extent permitted by law – to which the Class A Notes are connected;

(iii) will not be subject to the *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations, commercial partnerships or permanent establishments in Italy of non resident corporations to which the Class A Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 124

of 21 April 1993, as further superseded by Legislative Decree 5 December 2005, No. 252 and Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of February 24, 1998 and article 14-bis of law No. 86 of January 25, 1994; (iii) Italian resident individuals who have entrusted the management of their financial assets, including the Class A Notes, to an Italian authorised financial intermediary and have opted for the so-called risparmio gestito regime according to Article 7 of Legislative Decree No. 461 of 21 November 1997 - the "Asset Management Option" and (iv), non Italian resident with no permanent establishment in Italy to which the Class A Notes are effectively connected, provided that:

(a) they are (i) resident of a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of 22 December 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country, (ii) supranational entities set up in accordance with an international treaty executed by Italy, or (iii) central banks of foreign countries, or other entities also managing the official reserves of such countries; and

(b) the Class A Notes are deposited directly or indirectly: (i) with a bank or an Italian securities dealing firm ("**SIM**") resident in Italy; (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Economy and Finance; or (iii) with a non-resident entity or company which has an account with a centralised clearance and settlement system which has a direct relationship with the Italian Ministry of Economy and Finance; and

(c) as for recipients characterizing under category (a)(i) above, the banks or brokers mentioned in (b) above receive a self-declaration from the beneficial owner of the interest which states that the beneficial owner is a resident of that country. The self-declaration must be in conformity with the model approved by the Ministry of Economy and Finance (approved with Decree of the Ministry of Economy and Finance 12 December 2001, published on the Ordinary Supplement No. 287 to the Official Journal No. 301 of 29 December 2001) and its further amendments and is valid until revoked by the investor. A self statement does not have to be filed if an equivalent self-declaration (including Form 116/IMP) has already been submitted to the same intermediary for the same or different purposes; in the case of institutional investors not subject to tax, the institutional investor shall be regarded as the beneficial owner and the relevant self-declaration shall be produced by the management company; and

(d) the banks or brokers mentioned in (b) and (c) above receive all necessary information to identify the non-resident beneficial owner of the deposited Class A Notes and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 20 per cent. tax (*imposta sostitutiva*) on interest and other proceeds on the Class A Notes if any or all of the above conditions (a), (b), (c) and (d) are not satisfied. In this case, *imposta sostitutiva* may be reduced under double taxation treaties, where applicable.

Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Option are subject to a annual substitute tax levied at the rate of 20 per cent (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Class A

Notes) . The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Interest and other proceeds accrued on the Class A Notes held by Italian resident corporations, commercial partnerships, individual entrepreneurs as well as Italian resident public and private entities, other than companies, holding Class A Notes in connection with entrepreneurial activities or permanent establishments in Italy of non-resident corporations to which the Class A Notes are effectively connected, are included in the taxable base for the purposes of: (i) corporate income tax (*imposta sul reddito delle società*, "IRES") ; or (ii) individual income tax (*imposta sul reddito delle persone fisiche*, "IRPEF") plus local surtaxes, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities (*imposta regionale sulle attività produttive*, "IRAP").

Where the holder of the Class A Notes is an Italian resident investment fund subject to the tax regime provided by Law No. 77 of 23 March 1983 ("Fund"), interest payments relating to the Class A Notes are not subject to *imposta sostitutiva* but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 20 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Starting from 1 January 2001, Italian resident pension funds are subject to an 11 per cent annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year.

Any positive difference between the nominal redeemable amount of the Class A Notes and their issue price is deemed to be interest for capital income (redditi di capitale) tax purposes. In general terms, income from capital is treated as a separate classification of tax liability only for tax-payers who are not engaged in entrepreneurial activities.

2. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Class A Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

(a) Italian resident corporations;

(b) Italian resident commercial partnerships;

(c) permanent establishments in Italy of foreign corporations to which the Class A Notes are effectively connected; or

(d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Class A Notes would be subject to an *imposta sostitutiva* at the rate of 20 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity pursuant to all disposals on Class A Notes carried out during any given fiscal year. These individuals must report the overall capital

gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Class A Notes (the "***Risparmio Amministrato***" regime). Such separate taxation of capital gains is permitted subject to: (i) the Class A Notes being deposited with Italian banks, società di intermediazione mobiliare (SIM) or certain authorised financial intermediaries; and (ii) an express election for the Risparmio Amministrato regime being timely made in writing by the relevant Noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Class A Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the Risparmio Amministrato regime, where a sale or redemption of Class A Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012. Under the Risparmio Amministrato regime, the Noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration.

Any capital gains realised by a Class A Noteholder which is a Fund (as defined above) will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but a substitutive tax, up to 20 per cent., will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The 20 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Class A Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected, if the Class A Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected, through the sale for consideration or redemption of Class A Notes are exempt from taxation in Italy to the extent that the Class A Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Class A Notes are held

in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (autodichiarazione) stating that the investor is not resident in Italy for tax purposes.

In case the Class A Notes are not listed on a regulated market in Italy or abroad:

(1) non Italian resident beneficial owners of the Class A Notes with no permanent establishment in Italy to which the Class A Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Class A Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of December 22, 1986 and, until the year of enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (autocertificazione) stating that they meet the requirements indicated above; and

(2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Class A Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Class A Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the Risparmio Amministrato regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

3. ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE

As confirmed by the Italian Supreme Court (*Corte di Cassazione*), amongst all, in sentence No. 30055 of 23 December 2008, the Italian general anti-abuse provision of Article 37-bis of Presidential Decree No. 600 of 29 September 1973, the European Court of Justice doctrine of the "abuse of law" (also referred to as "abuse of rights") and previous Supreme Court case law on the voidance of contracts simulated or entered into for a cause contrary to the law, can be used, jointly or alternatively, by the Italian Tax Authority to deny the Italian tax benefits or preferential regime possibly associated with the adoption of a given contractual or transactional structure, subject to the demonstration that such contract or transaction has been implemented essentially for the purpose of obtaining the associated Italian tax benefit or preferential regime. Consequently, it is not possible to exclude, if the parties involved are not able to demonstrate that this securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial motivation that are not of a merely marginal or theoretical character, that the tax regime of the securitisation as herein outlined is disallowed by the Italian Tax Authority, thereby possibly causing, amongst other, the recharacterisation of the Notes as shares-like securities or in any case securities not having the legal nature of a bond.

4. INHERITANCE AND GIFT TAXES

Italian inheritance and gift taxes were first abolished by Law No. 383 of 18 October, 2001 in respect of gifts made or succession proceedings started after 25 October, 2001 and then reintroduced by Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered into force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above amendments to the legislation in force, the transfer by inheritance of the Notes is currently subject to inheritance tax at the following rates:

(i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Notes transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;

(ii) when the beneficiary is a brother or sister, the value of the Notes exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

(iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage within the third degree, the value of the Notes transferred to each beneficiary is subject to a 6 per cent. rate;

(iv) in any other case, the value of the Notes transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

5. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain Third Countries). Luxembourg and Austria may however elect to introduce automatic exchange of information during the transitional period, in which case they will no longer apply the withholding tax.

The Council Directive was implemented in Italy by Legislative Decree No. 84 of 18 April 2005. Pursuant to said decree Italian paying agents (e.g., banks, SIMs, SGRs., financial companies and fiduciary companies resident in Italy for tax purposes, permanent establishments in Italy of non-resident persons as well as any other person resident in Italy for tax purposes paying interest for professional or commercial reasons) are required to report to the Italian tax authorities details of interest payments made from 1 July 2005 to individuals which qualify as beneficial owners thereof and are resident for tax purposes in another EU Member State. Such information must be transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner of the interest payment by 30th June of the fiscal year following the fiscal year in which said interest payment is made.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the Directive in their particular circumstances.

6. TAX MONITORING

Pursuant to Law Decree No. 167 of 28 June, 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals resident in Italy who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). Such obligation is not provided if, inter alia, each of the overall value of the foreign investments or financial activities held at the end of the fiscal year, and the overall value of the related transfers carried out during the relevant fiscal year, does not exceed Euro 10,000.

7. STAMP DUTY

Article 13, paragraph 2-*ter*, of the First Part of the Tariff attached to Presidential Decree No. 642 of 26 October 1972 ("Stamp Duty Law"), as amended by Law Decree No. 201 of 6 December 2011, converted into Law No. 214 of 22 December 2011, introduced a stamp duty on the value of the financial products and/or financial instruments included in the statement sent to the clientele as of 1 January 2012 ("Statement Duty"). The statement is deemed to be sent to the clientele once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.1 per cent in 2012 (but in any case not exceeding € 1,200.00) and 0.15 percent in 2013 and in any of the following years. According to a literal interpretation of the amended Article 13, the Statement Duty seems to be applicable to the value of the Notes included in any statement sent to the clientele, as the Notes are to be characterized for tax purposes as "financial instruments". The relevant taxable basis shall be determined as of the sending of each periodic statement and, therefore, shall be liquidated taking into account the period of the relevant statement.

The stamp duty must be levied on:

(i) whoever executes or takes advantage (in Italian known as the "caso d'uso") of the document included in the Tariff, as the main obligors (*obbligati in via principale*);

(ii) whoever signs, receives, accepts or negotiates the document included in the Tariff, if the stamp duty has not already been properly paid, as the joint obligors (*obbligati in via solidale*).

The Italian Ministerial Decree dated May 24, 2012 stated that the Stamp Duty has to be applied by the financial intermediary which has the relationship with the clientele and qualified it as an "*ente gestore*" (managing entity). Such "*ente gestore*", according to the law, is the financial intermediary that has direct or indirect contact with the clientele for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer seems not to fall within the list of the obligors, as set forth in the Stamp Duty Law, neither in the definition of "*ente gestore*". However, the lack of an interpretation by the Italian Tax Authority with respect to securitization transactions and the broad scope of the Statement Duty could lead the Italian Tax Authority to a different interpretation and may induce the Authority to include the Issuer among the obligors.

SUBSCRIPTION AND SALE

Pursuant to the Notes Subscription Agreement entered into on or prior the Issue Date between the Issuer, the Originators, the Representative of the Noteholders, Banca Popolare di Bari and Cassa di Risparmio di Orvieto:

(i) Banca Popolare di Bari shall subscribe and pay the Issuer for the Class A1 Notes and the Class B1 Notes at the issue price of 100% of their principal amount;

(ii) Cassa di Risparmio di Orvieto shall subscribe and pay the Issuer for the Class A2 Notes and the Class B2 Notes at the issue price of 100% of their principal amount;

and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Notes Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Issue Price to the Issuer.

UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

REPUBLIC OF ITALY

Each of the Issuer and the Originators under the Notes Subscription Agreement, has acknowledged that no action has or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Individual sales of the Notes to any Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Each of the Issuer and the Originators under the Notes Subscription Agreement, has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Originators, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Notes, this Prospectus nor any other offering material relating to Notes other than to qualified investors ("*investitori qualificati*"), as defined on the basis of the Directive 2003/71/EC (Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading), as amended by 2010 PD Amending Directive (as defined below), pursuant to article 100, paragraph 1, letter (a), of Italian legislative decree No. 58 of 24 February 1998 (the "**Consolidated Financial Act**") or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act or by art. 34-*ter* of CONSOB regulation No. 11971/1999, and in accordance with applicable Italian laws and

regulations. In any case the Class B Notes may not be offered to individuals or entities not being qualified investors in accordance with the Securitisation Law. Additionally the Class B Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB regulation No. 16190 of 29 October 2007.

Any offer, sale or delivery of the Notes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Consolidated Financial Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Consolidated Financial Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Consolidated Financial Act and relevant CONSOB implementing regulations.

FRANCE

This Prospectus has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

It has also been represented and agreed in connection with the initial distribution of the Notes that:

(a) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (*an appel public à l'épargne* as defined in Article L. 411-1 of the French Code monétaire et financier);

(b) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in Articles L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in Article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in Article L. 411-2 of the *Code monétaire et financier* (together the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular Articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

UNITED KINGDOM

It has been represented and agreed under the Notes Subscription Agreement that:

(i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received

by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

CAPITAL REQUIREMENTS DIRECTIVE

Each Originator has undertaken to the Issuer and the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) for the benefit of each subsequent financial institution investing in one or more Notes, that it will (i) retain, on an ongoing basis, a material net economic interest of not less than 5% in the Transaction (calculated for each Originator with respect to the Claims comprised in the relevant Portfolios which have been transferred to the Issuer) referred to in Article 122a(1)(d) of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time (which does not take into account any implementing rules of such Directives) (hereinafter the "**Capital Requirements Directive**" or the "**CRD**"), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

As at the Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche as required by Article 122a (comprising the Class B Notes). Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

GENERAL RESTRICTIONS

The Issuer and the Noteholders (including the Originators as initial holders of the Notes) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

EEA STANDARD SELLING RESTRICTION

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 (the "**2010 PD Amending Directive**"), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Any purchase, sale, offer and delivery of all or part of the Notes shall be made in compliance with Article 122a of the Capital Requirements Directive.

GENERAL INFORMATION

Authorisation

Since the date of its incorporation, the Issuer has not entered into any agreement or effected any transaction other than those related to the purchase of the Claims or which are instrumentals to the Transaction. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a quotaholders' resolutions of the Issuer which took place on 27 July 2012. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections made in respect of the Claims thereunder.

Listing

Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market.

Clearing systems

The Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli will act as depository for Euroclear and Clearstream, Luxembourg. The ISIN for the Notes and the Common Code for the Class A Notes are as follows:

	Common Code	ISIN
Class A1 Notes	085943910	IT0004871783
Class A2 Notes	085942751	IT0004871833
Class B1 Notes		IT0004871841
Class B2 Notes		IT0004871858

No significant change

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its incorporation.

Litigation

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had, since the date of its incorporation, a significant effect on the financial position of the Issuer.

Accounts

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required by applicable law or regulation) financial statements in respect of each financial year (commencing on 1 January and ending on 31 December, the

next such accounts to be prepared being those in respect of the financial year ending on 31 December 2012) but will not produce interim financial statements.

Post Issuance Reporting

Under the terms of the Cash Administration and Agency Agreement, the Computation Agent has undertaken to prepare not later than each Investors' Report Date, the Investors Report related to the immediately preceding Payment Date, based on the data contained in the Quarterly Servicing Report and in the Payments Report and setting forth the performance of the Portfolios and information, and amounts paid, payable and/or unpaid on the Notes in respect to the immediately preceding Payment Date. Each Investors Report will be made available for collection at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Offices the Principal Paying Agent and the Irish Paying Agent (as set forth in Condition 12 (*Notices*)) and on a quarterly basis via the Computation Agent's internet website currently located at www.securitisation-services.com (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Borrowings

Save as disclosed in this Prospectus, after the issue of the Notes, the Issuer will have no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor will the Issuer create any mortgages or charges or given any guarantees.

Documents

Copies of the following documents in electronic form may be inspected during usual office hours on any weekday at the registered office of the Issuer and of the Representative of the Noteholders and at the Specified Offices of the Paying Agents (as set forth in Condition 12 (*Notices*)), at any time after the Issue Date and so long as any of the Notes remain listed in the Irish Stock Exchange:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the annual audited (to the extent required by applicable law or regulation) financial statement of the Issuer (once available). The next annual financial reports will be those related to the financial year ending on 31 December 2012. No interim financial statements will be produced by the Issuer;

(c) the Quarterly Servicing Report, which has a quarterly frequency, setting forth the performance of the Claims and the Collections made in respect of the Claims prepared by the Master Servicer;

(d) the Investors Report, which has a quarterly frequency, setting forth the performance of the Portfolios and amounts paid, payable and/or unpaid on the Notes in respect to each Payment Date and information on the material net economic interest (of at least 5%) in the Transaction maintained by the Originators in accordance with option (d) of Article 122a or any permitted alternative method thereafter, prepared by the Computation Agent; each Investors Report will be also made available on a quarterly basis via the Computation Agent's internet website currently located at http://www.securitisation-services.com. The Computation Agent's website does not form part of the information provided for the purposes of the Prospectus and disclaimers may be posted with respect to the information posted thereon.

(e) copies of the following documents:

(i) the Notes Subscription Agreement;

(ii) the Intercreditor Agreement;

(iii) the Cash Administration and Agency Agreement;

(iv) the Corporate Services Agreement;

(v) the Agreement between the Issuer and the Quotaholder;

(vi) the Limited Recourse Loan Agreement;

(vii) the Transfer Agreements;

(viii) the Servicing Agreement;

(ix) the Back-Up Servicing Agreement;

(x) the Warranty and Indemnity Agreement;

(xi) the Deed of Charge;

(xii) the Swap Agreement;

(xiii) the Swap Guarantee Security Agreement;

(xiv) the Deed of Pledge; and

(xv) this Prospectus.

Information available in the internet

The websites referred to in this Prospectus and the information contained in such web-sites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

Annual fees

The proceeds arising out of the Notes amount to Euro 862,877,000. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 150,000 *per annum* (VAT excluded), excluding Servicing Fee and Master Servicer Fee. The upfront expenses for admission to trading of the Rated Notes will amount to Euro 3,390.00.

Home Member State for the purpose of the Transparency Directive

The Issuer elects Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

ISSUER

2012 Popolare Bari SME S.r.l.
Via Vittorio Alfieri 1
31015 Conegliano (TV) (Italy)

ORIGINATOR, SERVICER AND MASTER SERVICER

Banca Popolare di Bari S.c.p.a.
Corso Cavour, 19
70122 Bari (Italy)

ORIGINATOR AND SERVICER

Cassa di Risparmio di Orvieto S.p.A.
Piazza della Repubblica,21
05018 Orvieto (Italy)

REPRESENTATIVE OF THE NOTEHOLDERS, SECURITY TRUSTEE, COMPUTATION AGENT AND CORPORATE SERVICES PROVIDER

Securitisation Services S.p.A.
Via Alfieri, 1
31015 Conegliano (TV) (Italy)

BACK-UP SERVICER+

Banca Etruria Società Cooperativa
via Calamandrei, 255,
52100 Arezzo, Italy

CASH MANAGER, ENGLISH TRANSACTION BANK

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL (United Kingdom)

IRISH PAYING AGENT

The Bank of New York Mellon (Ireland) Limited
Hanover Building,
Windmill Lane Dublin 2
(Ireland)

PRINCIPAL PAYING AGENT, AGENT BANK, TRANSACTION BANK

The Bank of New York Mellon (Luxembourg) S.A., Italian Branch
Via Carducci, 31
Milan (Italy)

SWAP COUNTERPARTY

J.P. Morgan Securities plc
25 Bank Street Canary Wharf E14 5JP (United Kingdom)

LEGAL ADVISERS

TO THE ISSUER AS TO ITALIAN LAW

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TO THE ISSUER AND THE SWAP COUNTERPARTY AS TO ENGLISH LAW

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