PROSPECTUS

ALCHERA SPV S.R.L.

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

Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048
Issue Price: **100%**

Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048
Issue Price: **100%**

Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048
Issue Price: **100%**

Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048
Issue Price: **100%**

*This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by Alchera SPV S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Class A Notes**").*

*In connection with the issue of the Class A Notes the Issuer will issue three series of junior notes for an aggregate amount of Euro 240,450,000 divided as follows: Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 (the "**Class B1 Notes**"), Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 (the "**Class B2 Notes**"), Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 (the "**Class B3 Notes**" and together with the Class B1 Notes and the Class B2 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 Prospectus 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 the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive 2003/71/EC**") and relevant implementing measures in Ireland.*

*The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. 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. Such approval relates only to the Class A 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 portfolios of monetary claims (the "**Portfolios**" and the "**Claims**", respectively) arising under mortgage and unsecured loans executed by*

*Banca Cassa di Risparmio di Savigliano S.p.A. ("**Banca CR Savigliano**"), Banca Mediocredito del Friuli Venezia Giulia S.p.A. ("**Banca MCFVG**") and Cassa di Risparmio di Saluzzo S.p.A. ("**CR Saluzzo**" and, together with Banca CR Savigliano and Banca MCFVG, the "**Originators**"). The Portfolios have been purchased by the Issuer under the terms of three transfer agreements as between the Issuer and each Originator pursuant to Law 130 on 6 June 2013 (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 Class A Notes can be made based on certain assumptions as set out in the section "**Weighted Average Life of the Class A Notes**", including, but not limited to, the level of prepayments of the Claims. However, there is no certainty that the Class A 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 Class A 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 pro-rata redemption in whole or in part on each Payment Date. Unless previously redeemed in accordance with their applicable terms and conditions (the "**Conditions**"), the Class A Notes will be redeemed on the Payment Date falling on November 2048 (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 and in accordance Condition 6.2 (Redemption for Taxation) or Condition 6.4 (Optional Redemption).*

*Interest on the Notes will accrue from 27 June 2013 (the "**Issue Date**") and will be payable on 11th November 2013 (the "**First Payment Date**") and thereafter quarterly in arrears on the 10th day of February, May, August and November in each year or, if any such day is not a day on which banks are open for business in Dublin, London and Milan 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 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 ("**Euribor**") offered rate for three month deposits in Euro ("**Three Month EURIBOR**"), plus in respect of the Class A Notes, a margin of 0.4% per annum. In addition, the Class B Notes will bear additional interest in an amount equal to the Single Series Class B Notes Additional Interest Payment Amount. 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 Holder**" 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 Class A 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 Resolution dated 22 February 2008 jointly issued by the Bank of Italy and the Commissione Nazionale per le Società e la Borsa ("**CONSOB**"), as amended from time to time.*

*The Class A Notes are expected to be rated, on issue, A(sf) by DBRS Ratings Limited and A+ by Standard & Poor's Credit Market Services Italy S.r.l. (DBRS Ratings Limited together with Standard & Poor's Credit Market Services Italy S.r.l., the "**Rating Agencies**"). As of the date of this Prospectus, each of DBRS Ratings Limited and Standard & Poor's Credit Market Services Italy S.r.l. 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 have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any other state securities laws of the U.S. and may be subject to U.S. tax laws. Subject to certain exceptions, the Class A Notes may not be offered or sold within the U.S. or for the benefit of U.S. Persons (as defined in Regulation S under the Securities Act). See "**Subscription and Sale**".*

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

Co-Arrangers

A & F S.A. and Eidos Partners S.r.l.

Dated 26 June 2013

RESPONSIBILITY STATEMENT

None of the Issuer, the Co-Arrangers or any other party to any of the Transaction Documents (as defined herein), other than the Originators, has undertaken or will undertake any investigations, searches or other actions to verify the details of the Portfolios sold by each of the Originators to the Issuer, nor have the Issuer, the Co-Arrangers or any other party to any of the Transaction Documents, other than the Originators, undertaken nor will any of them 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 Borrower.

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), the 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

*Each of the Originators has provided the information under the sections headed "**The Portfolios**", "**The Originators**" and "**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. To the best of the knowledge of each of the Originators (which has taken all reasonable care to ensure that such is the case), the information and data for which it is responsible as described above, are in accordance with the facts and do not omit anything likely to affect the import of such information and data.*

The Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Italian Account Bank, the English Account Bank and the Agent Bank

*Each of Citibank N.A., London Branch and Citibank N.A., Milan Branch, has provided the information included in this Prospectus in the relevant part of the section headed "**The Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Italian Account Bank, the English Account Bank and the Agent Bank**" and accepts responsibility for the information contained in that section. To the best of the knowledge of each of Citibank N.A., London Branch and Citibank N.A., Milan Branch (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, each of Citibank N.A., London Branch and Citibank N.A., Milan Branch, has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

The Computation Agent

*Accounting Partners S.r.l. 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 paragraph. To the best of the knowledge of Accounting Partners S.r.l. (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, Accounting Partners S.r.l. 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, each of 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 and all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originators (in any capacity), the quotaholder of the Issuer or any Other Issuer Creditor (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 Originators, the Servicers, the Representative of the Noteholders, the Stichting Corporate Services Provider, the Security Trustee, the Back-Up Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Corporate Services Provider, the Back-Up Servicer Facilitator, the Computation Agent, the Subscribers and the Irish Listing Agent and any other person that may accede to the Intercreditor Agreement from time to time. The Noteholders will agree that the Single Portfolio Available Funds and the Issuer Available Funds (as defined below in the Conditions) will be applied by the Issuer in accordance with the order of priority of application of the Single Portfolio Available Funds and 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-a-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 OFFERING 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 Transaction Overview, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus.

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 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Class A Notes**");

Euro 240,450,000 Class B Asset Backed Floating Rate Notes due November 2048 (the "**Class B Notes**");

The Class B Notes will be issued by the Issuer on the Issue Date in the following series (each, a "**Series**"):

Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048;

Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048;

Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048;

ISSUE PRICE

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

Class	*Issue Price*
Class A	100%
Class B1	100%
Class B2	100%
Class B3	100%

INTEREST

The rate of interest applicable from time to time in respect of the Notes (the "**Interest Rate**") will be: (a) in respect of the Class A Notes, EURIBOR for three month deposits in Euro ("**Three Month EURIBOR**") as determined and defined in accordance with Condition 5 (*Interest*), plus a margin of 0.4% *per annum* (the "**Class A Margin**"); and (b) in respect of the Class B Notes, the Three Month EURIBOR, as determined and defined in accordance with Condition 5 (*Interest*).

In addition to the Interest Rate, each Series of Class B Notes will accrue, in each Interest Period, additional interest in an amount equal to the Single Series Class B Notes Additional Interest

Payment Amount (as defined below) calculated on each Calculation Date and payable on the next following Payment Date.

SINGLE SERIES CLASS B NOTES ADDITIONAL INTEREST PAYMENT AMOUNT

Means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

(i) the aggregate of all Interest Instalments collected on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; plus

(ii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; plus

(iii) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; plus

(iv) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; plus

(v) the Cash Reserve Excess of the Relevant Portfolio and the Cash Reserve Amortisation Amount of the Relevant Portfolio; plus

(vi) all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account; minus

(vii) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) through (*Fifth*) plus (*Seventh*), (*Thirteenth*) and (*Sixteenth*) of the Pre-Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*) through (*Fifth*), plus (*Seventh*), (*Ninth*) and (*Twelfth*) of the Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by

the Issuer on the next following Payment Date under items (*First*) through (*Fifth*) plus (*Seventh*), (*Eleventh*) and (*Fourteenth*) of the Cross Collateral Order of Priority; *minus*

(viii) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date; *minus*

(ix) on the First Payment Date only, the amount of any Interest Accrual.

PAYMENT DATE

Interest is payable in respect of the Notes, quarterly in arrears in Euro on the 10th day of February, May, August and November 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 of interest under the Notes will be due and payable on the Payment Date falling on 11th November 2013 (the "**First Payment Date**") and will relate to the period from (and including) the Issue Date to (but excluding) such Payment Date.

CALCULATION DATE

Means the date falling on the 3rd day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

FORM AND DENOMINATION

The Class A 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 for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Class A Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Italian Legislative Decree No. 58 of 24 February 1998 and the Resolution dated 22 February 2008 jointly issued by CONSOB and the Bank of Italy, as amended from time to time. No physical document of title will be issued in respect of the Class A Notes. The Class A Notes will be issued in denominations of Euro 100,000.

The Class B Notes will be issued in denomination of Euro 10,000.

The Issuer will elect 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**").

STATUS

Before 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 Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes of each Series will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes.

Following the delivery of a Trigger Notice with respect to the obligation of the Issuer to pay interest and repay principal on the

Notes, the Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes of each Series will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes.

Principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries from the Relevant Portfolio, provided that following delivery of a Cross Collateral Notice and/or delivery of a Trigger Notice, principal on all Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the Relevant Portfolio. The Class B Notes shall at all times be subordinated to the Class A Notes.

ISSUER AVAILABLE FUNDS

Means, in respect of each Payment Date (following the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer in respect of the Claims during the immediately preceding Collection Period; provided that the Temporary Excluded Collections shall not form part of the Issuer Available Funds on such Payment Date and shall only form part of the Issuer Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the Issuer Available Funds;

(ii) all other amounts transferred during the immediately preceding Collection Period into the Collections and Recoveries Accounts;

(iii) all the amounts credited to the Collections and Recoveries Accounts on the immediately preceding Payment Date;

(iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota

Capital Account) during the immediately preceding Collection Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(v) all amounts paid into the Principal Amortisation Reserve Accounts on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the Originators, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements and all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) all amounts paid into the Single Portfolio Detrimental Reserve Accounts in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3(a) of the Cash Administration and Agency Agreement);

(ix) any amount paid into the Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Cash Reserve in an amount equal to the Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due (a) under items (*First*) to (*Seventh*) of the Cross Collateral Order of Priority *provided that* any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and (b) under items (*First*) to (*Eighth*) of the Acceleration Order of Priority;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Portfolios.

SINGLE PORTFOLIO AVAILABLE FUNDS

Means, in respect of each Payment Date and each Portfolio (before the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio; provided that the Temporary Excluded Collections related to the Claims of the Relevant Portfolio shall not form part of the Single Portfolio Available Funds on such Payment Date and shall only form part of the Single Portfolio Available Funds of the Relevant Portfolio on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the Single Portfolio Available Funds;

(ii) all other amounts transferred during the immediately preceding Collection Period into the relevant Collections and Recoveries Account;

(iii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period;

(iv) any profit and accrued interest received under the Eligible

Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account;

(v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) the relevant Outstanding Notes Ratio of any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) the amounts paid into the credit of the Detrimental Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(ix) the amounts paid into the relevant Single Portfolio Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3 (a) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Relevant Cash Reserve (augmented as the case may be by the amount made available by the other Relevant Cash Reserve pursuant to the terms of the Cash Administration and Agency Agreement) in an amount equal to the Single Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority; *provided that* any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Relevant Portfolio, the Cash Reserve Amortisation Amount of the Relevant Portfolio and the Cash Reserve Excess of the Relevant Portfolio.

"**Temporary Excluded Collections**" means any Collections deriving from prepayments of Loan Agreements not being Mutui Fondiari Agreements.

"**Mortgage Loan Agreement**" means each agreement by which a Mortgage Loan has been granted.

"***Mutui Fondiari* Agreements**" means any Mortgage Loan Agreement under which it has been granted a Mortgage Loan deemed as "mutuo fondiario" in accordance with article 38 and sub. of the Consolidated Banking Act.

THE PORTFOLIOS

The principal source of payment of interest and repayment of principal on the Notes will be recoveries and collections made in respect of the following portfolios of monetary claims and connected rights arising under mortgage loan agreements and unsecured loan agreements (the "**Loan Agreements**") purchased by the Issuer pursuant to the Transfer Agreements:

Portfolio No. 1, the portfolio of Claims which are sold to the Issuer by Banca CR Savigliano; and

Portfolio No. 2, the portfolio of Claims which are sold to the Issuer by Banca MCFVG; and

Portfolio No. 3, the portfolio of Claims which are sold to the Issuer by CR Saluzzo; (each a "**Portfolio**" and, collectively, the "**Portfolios**" or the "**Claims**").

See further "*Description of the Transfer Agreements*" and "*Description of the Warranty and Indemnity Agreement*".

OUTSTANDING NOTES RATIO

Means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding; and (y) the Principal Amount Outstanding of all the Notes.

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 payments of principal in respect of that Note that have been made prior to such date.

SINGLE PORTFOLIO NOTES PRINCIPAL AMOUNT OUTSTANDING

Means with respect to each Payment Date:

(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B1 Notes;

(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B2 Notes;

(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B3 Notes;

in each case as at the immediately preceding Collection Date.

SINGLE PORTFOLIO CLASS A NOTES PRINCIPAL AMOUNT OUTSTANDING

Means, with respect to each Payment Date and to each Portfolio, the difference between:

1. the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding; and

2. the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect of the Relevant Portfolio to the Class A Noteholders on the preceding Payment Dates.

SINGLE PORTFOLIO INITIAL CLASS A NOTES PRINCIPAL AMOUNT OUTSTANDING

Means (i) with respect to Portfolio No. 1, as at the Issue Date an amount equal to Euro 155,800,000; (ii) with respect to Portfolio No. 2, as at the Issue Date an amount equal to Euro 112,500,000; and (iii) with respect to Portfolio No. 3, as at the Issue Date an amount equal to Euro 150,700,000.

SINGLE SERIES AVAILABLE CLASS B NOTES REDEMPTION FUNDS

Means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lower of:

(i) the Single Portfolio Available Funds with respect to the Relevant Portfolio, available for redemption of the Principal Amount Outstanding of such Series of Class B Notes according to the Pre-Acceleration Order of Priority or the Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable; and

(ii) the Principal Amount Outstanding of such Series of Class B Notes.

CLASS A NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

SINGLE PORTFOLIO CLASS A NOTES PRINCIPAL PAYMENT AMOUNT

Means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

SINGLE PORTFOLIO AMORTISED PRINCIPAL

Means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

(i) the aggregate amount of the Principal Instalments of the Claims of the Relevant Portfolio collected during the immediately preceding Collection Period (including, for the avoidance of doubt, any such collection lost due to any insolvency event on the Servicer having occurred) excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);

(ii) (a) the aggregate amount of the Principal Instalments of the Pre-paid Claims (other than the Temporary Excluded Collections) that have been prepaid during the immediately preceding Collection Period and (b) the aggregate amount of the Principal Instalments of the Temporary Excluded Collections in respect of which in the immediately preceding Collection Period (i) the two year period starting from the date of receipt of the relevant prepayment has elapsed; or (ii) the contractual maturity date of the relevant Loan has elapsed;

(iii) the Outstanding Principal of the Claims of the Relevant Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(v) the Single Portfolio Amortised Principal unpaid at the previous Payment Date;

(vi) the proceeds from the sale of the Relevant Portfolio; and

(vii) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims.

ACCOUNTS AND DESCRIPTION OF CASH FLOWS

ACCOUNTS HELD WITH THE ITALIAN ACCOUNT BANK

The Issuer has directed the Italian Account Bank to establish, maintain and operate the following accounts (denominated in Euro) as separate accounts in the name of the Issuer:

QUOTA CAPITAL ACCOUNT

An account (the "**Quota Capital Account**") (*Conto Capitale Sociale*), IBAN Code: IT17M0356601600000125616011, *into*

which all sums contributed by the Quotaholder as quota capital and any interest thereon will be credited.

COLLECTIONS AND RECOVERIES ACCOUNTS

Three accounts (collectively, the "**Collections and Recoveries Accounts**", and each a "**Collections and Recoveries Account**") (*Conti dell'Operazione*) (with respect to Portfolio No. 1, the "**Collections and Recoveries Account Banca CR Savigliano**" IBAN Code: IT16A0356601600000125616038); (with respect to Portfolio No. 2, the "**Collections and Recoveries Account Banca MCFVG**" IBAN Code: IT91A0356601600000125616046); and (with respect to Portfolio No. 3, the "**Collections and Recoveries Account CR Saluzzo**" IBAN Code: IT77C0356601600000125616054), *into which* respectively **(i)** all amounts received or recovered by each Servicer in respect of the Claims shall be credited in accordance with the Servicing Agreement; **(ii)** all amounts, if any, received by the Issuer from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio and all amounts received by the Issuer as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement shall be credited into the Collections and Recoveries Account related to the Relevant Portfolio; and *out of which:* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Collections and Recoveries Account related to each Relevant Portfolio will be transferred to the Investment Account of the Relevant Portfolio.

ACCOUNTS HELD WITH THE ENGLISH ACCOUNT BANK

The Issuer has directed the English Account Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer, in accordance with the terms and conditions of the Cash Administration and Agency Agreement and those set forth in the Current Account Agreement and in the Custody Terms and Conditions (if any) (without prejudice to what provided by clause 7.1 of the Cash Administration and Agency Agreement):

PAYMENTS ACCOUNT

An account (the "**Payments Account**") (*Conto Pagamenti*), IBAN Code: GB90CITI18500811727737, *into which* **(i)** on the Issue Date the subscription price of the Notes (net of any set off agreed in the Notes Subscription Agreement) shall be paid; **(ii)** all amounts received by the Issuer under the Transaction Documents (other than collections and recoveries on the Claims) will be credited, if not credited to other accounts pursuant to the Transaction Documents; **(iii)** all amounts standing to the credit of the Investment Accounts shall be credited 2 (two) Business Days prior to each Payment Date in accordance with clause 8.2 of the Cash Administration and Agency Agreement; and *out of which* **(1)** on the Issue Date amounts necessary to fund respectively the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and the CR Saluzzo Cash Reserve shall be paid to the Relevant Cash Reserve SubAccount and amounts necessary to fund respectively the Banca CR Savigliano Additional Cash Reserve, the Banca MCFVG Additional Cash Reserve and the CR

Saluzzo Additional Cash Reserve shall be paid to the Relevant Additional Reserve SubAccount; **(2)** (a) within close of business 1 (one) Business Day prior to each Payment Date amounts necessary to repay principal and to pay interests on the Notes shall be transferred to an account of the Principal Paying Agent in order to be used by the Local Paying Agent in accordance with clause 4.3 of the Cash Administration and Agency Agreement; (b) on each Payment Date all payments shall be made in accordance with the Intercreditor Agreement, the applicable Order of Priority and the relevant Payments Report; **(3)** on the Business Day preceding each Payment Date an amount equal to the difference between (a) amounts invested in Eligible Investments out of each Relevant Cash Reserve SubAccount in the preceding Collection Period and (b) the sum of (x) the amount of each Relevant Cash Reserve necessary to augment the Issuer Available Funds or the Single Portfolio Available Funds as calculated by the Computation Agent (also in accordance with clause 14 of the Cash Administration and Agency Agreement and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date and (z) each relevant Cash Reserve Amortisation Amount in respect of the immediately following Payment Date, shall be credited to the Relevant Cash Reserve SubAccount; **(4)** on or about the Issue Date certain upfront costs of the Transaction shall be paid by the Issuer in accordance with the Notes Subscription Agreement; **(5)** any taxes due and payable on behalf of the Issuer will be paid and **(6)** any fees, costs and expenses required to be paid (a) in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations and (b) to fulfil payment obligations of the Issuer to third parties incurred in relation to this Transaction to the extent that the payment of such fees, costs and expenses is not deferrable until the immediately subsequent Payment Date, will be paid;

provided that in any case the balance of the Payments Account shall at least be equal to the Retention Amount, unless such amount has to be used to pay any amount under item (5) and (6) above.

"**Interest Accruals**" means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the relevant Claims as of the Effective Date (excluding interest in arrears (*interessi di mora*)), and equal to, with respect to Portfolio No. 1, Euro 493,014.38, with respect to Portfolio No. 2, Euro 1,895,650.09 and with respect to Portfolio No. 3, Euro 574,207.44.

SINGLE PORTFOLIO DETRIMENTAL RESERVE ACCOUNT

Three accounts (collectively the "**Single Portfolio Detrimental Reserve Accounts**" and each a "**Single Portfolio Detrimental Reserve Account**") (*Conti di Riserva Singolo Portafoglio*) to be opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a First Single Portfolio Detrimental Event Notice *into which* on each Payment Date following the occurrence of a First Single Portfolio

Detrimental Event with respect to one or more Portfolios, the First Single Portfolio Detrimental Reserve Amount with respect to the relevant Portfolio or Portfolios in respect of which the First Single Portfolio Detrimental Event has occurred shall be paid from the Payments Account in accordance with the applicable Order of Priority; and *out of which* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the relevant Single Portfolio Detrimental Reserve Account will be transferred to the Investment Account of the Relevant Portfolio;

provided however that, should the Single Portfolio Detrimental Reserve Account not be opened within the term set out herein, the First Single Portfolio Detrimental Reserve Amount with respect to the relevant Portfolio or Portfolios in respect of which the First Single Portfolio Detrimental Event has occurred, shall be paid into the relevant Investment Account.

PRINCIPAL AMORTISATION RESERVE ACCOUNT

Three accounts (the "**Principal Amortisation Reserve Accounts**" and each a "**Principal Amortisation Reserve Account**") (*Conti di Riserva Ammortamento Capitale*) to be opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a Disequilibrium Event Notice *into which* on each Payment Date following the occurrence of a Disequilibrium Event the relevant Principal Amortisation Reserve Amount shall be paid from the Payments Account in accordance with the applicable Order of Priority; and *out of which:* in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the relevant Principal Amortisation Reserve Account will be transferred to the Investment Account of the Relevant Portfolio;

provided however that, should the Principal Amortisation Reserve Account not be opened within the term set out herein, the relevant Principal Amortisation Reserve Amount shall be paid into the Payments Account.

CASH RESERVE ACCOUNTS, CASH RESERVE SUBACCOUNTS and ADDITIONAL RESERVE SUBACCOUNTS

Three accounts (the "**Cash Reserve Accounts**", and each a "**Cash Reserve Account**") with IBAN Code: GB68CITI18500811727745 with respect to Portfolio No. 1 ("**Banca CR Savigliano Cash Reserve Account**"); IBAN Code: GB46CITI18500811727753 with respect to Portfolio No. 2 ("**Banca MCFVG Cash Reserve Account**") and IBAN Code: GB24CITI18500811727761 with respect to Portfolio No. 3 ("**CR Saluzzo Cash Reserve Account**"). Each Cash Reserve Account will be subdivided into two subaccounts, respectively:

(A) the "**Cash Reserve SubAccount**" (denominated for each Portfolio respectively the "**Banca MCFVG Cash Reserve SubAccount**", the "**CR Saluzzo Cash Reserve SubAccount**", the "**Banca CR Savigliano Cash Reserve SubAccount**" and together the "**Cash Reserve SubAccounts**") *into which*, **(i)** on the Issue Date amounts

necessary to fund each Relevant Cash Reserve shall be paid from the Payments Account; **(ii)** on each Payment Date all sums payable from the Relevant Portfolio under item (*Ninth*) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority shall be credited, and **(iii)** on the Business Day preceding each Payment Date an amount equal to the difference between (a) amounts invested in Eligible Investments out of each Relevant Cash Reserve SubAccount in the preceding Collection Period and (b) the sum of (x) the amount of each Relevant Cash Reserve necessary to augment the Issuer Available Funds or the Single Portfolio Available Funds as calculated by the Computation Agent (and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date and (z) each relevant Cash Reserve Amortisation Amount in respect of the immediately following Payment Date, shall be credited from the Payments Account; and <u>*out of which*</u>: in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Relevant Cash Reserve SubAccount will be transferred to the Investment Account of the Relevant Portfolio; and

(B) the "**Additional Reserve SubAccount**" (denominated for each Portfolio respectively the "**Banca MCFVG Additional Reserve SubAccount**", the "**CR Saluzzo Additional Reserve SubAccount**", the "**Banca CR Savigliano Additional Reserve SubAccount**" and together the "**Additional Reserve SubAccounts**") <u>*into which,*</u> (i) on the Issue Date amounts necessary to fund each Relevant Additional Cash Reserve shall be paid from the Payments Account; (ii) on each Payment Date all sums payable from the Relevant Portfolio under item (*Ninth*) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority shall be credited; (iii) on each Payment Date following the occurrence of a Second Single Portfolio Detrimental Event with respect to one or more Portfolios, the Second Single Portfolio Detrimental Reserve Amount with respect to the Relevant Portfolio or Portfolios in respect of which the Second Single Portfolio Detrimental Event has not occurred shall be paid from the Payments Account in accordance with the applicable Order of Priority; and <u>*out of which*</u>: in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, all amounts standing to the credit of the Relevant Additional Reserve SubAccount will be transferred to the Investment Account of the Relevant Portfolio.

DETRIMENTAL RESERVE ACCOUNT

An account denominated (the "**Detrimental Reserve Account**"), to be opened, subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of a Detrimental

Event Notice *into which* on each Payment Date following the occurrence of a Detrimental Event, the Detrimental Reserve Amount shall be paid from the Payments Account; and *out of which* **(i)** in accordance with the provisions of the Cash Administration and Agency Agreement, 1 (one) Business Day after the relevant deposit, the Detrimental Reserve Amount credited from the relevant Single Portfolio Available Funds or the relevant Notes Outstanding Ratio of the Detrimental Reserve Amount credited from the Issuer Available Funds shall be credited to the Investment Account of the Relevant Portfolio;

provided however that, should the Detrimental Reserve Account not be opened within the term set out herein, the Detrimental Reserve Amount shall be paid into the Payments Account.

INVESTMENT ACCOUNTS

Three accounts (collectively the "**Investment Accounts**", and each an "**Investment Account**") IBAN Code: GB71CITI18500811727788 (with respect to Portfolio No. 1); IBAN Code: GB49CITI18500811727796 (with respect to Portfolio No. 2); and IBAN Code: GB37CITI18500811727818 (with respect to Portfolio No. 3), *into which* **(i)** all Eligible Investments (excluding the Eligible Investments (a) being deposit of cash with a third party which meets the requirements set forth in the definition of Eligible Investments in accordance with clause 8.4 of the Cash Administration and Agency Agreement and (b) being securities which will be deposited in the relevant Securities Account), purchased by the Cash Manager, pursuant to the Cash Administration and Agency Agreement through the amounts standing to the credit of the relevant Investment Account shall be credited each to the relevant Investment Account; **(ii)** all amounts arising from the liquidation, disposal or maturity of, and payments under the Eligible Investments (including any profit generated thereby or interest matured thereon) purchased through the amounts standing to the credit of the relevant Investment Account shall be credited each to the relevant Investment Account; and **(iii)** all amounts standing to the credit of the Collections and Recoveries Accounts, the Payments Account, the Cash Reserve Accounts, the Detrimental Reserve Account, the Single Portfolio Detrimental Reserve Accounts and the Principal Amortisation Reserve Accounts shall be credited to each Investment Account of the Relevant Portfolio; *out of which* (1) any amount invested in Eligible Investments in accordance with clause 8 of the Cash Administration and Agency Agreement; and (2) all amounts standing to the credit of such accounts shall be transferred to the Payments Account the second Business Days prior to each Payment Date in accordance with clause 8.2 of the Cash Administration and Agency Agreement.

SECURITIES ACCOUNTS

Three securities accounts (collectively the "**Securities Accounts**", and each a "**Securities Account**") to be opened subject to the delivery by the Issuer (or by the Computation Agent on behalf of the Issuer) of the required documentation in a form satisfactory to the English Account Bank, within 5 (five) Business Days following receipt of the notice pursuant to clause 8.1 of the Cash Administration and Agency Agreement, *into which* all Eligible Investments being securities purchased by the Cash Manager upon

instruction of the Issuer, pursuant to the Cash Administration and Agency Agreement shall be deposited to each relevant Securities Account.

ORDERS OF PRIORITY

PRE-ACCELERATION ORDER OF PRIORITY

The Single Portfolio Available Funds relating to the Portfolios 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):

First, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant 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 the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account the relevant Outstanding Notes Ratio of the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Back-Up Servicer Facilitator, the Back-Up Servicers, the Stichting Corporate Services Provider and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicer as provided under the Servicing Agreement;

Sixth, to pay to the relevant Originator any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Single Portfolio Class A Notes Principal Amount Outstanding (*pro rata* according to the amounts then due);

Eighth, (i) to pay the relevant Single Portfolio Class A Notes Principal Payment Amount to the Class A Noteholders (*pro rata* according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date;

Ninth, (i) first to credit the Relevant Cash Reserve SubAccount with the amount required, if any, such that the Relevant Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter (ii) to credit the Relevant Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Tenth, upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account;

Eleventh, (i) on any Payment Date with respect to which a First Single Portfolio Detrimental Event has occurred, to pay the relevant First Single Portfolio Detrimental Reserve Amount into the relevant Single Portfolio Detrimental Reserve Account; and (ii) on any Payment Date with respect to which a Second Single Portfolio Detrimental Event has occurred, to pay the relevant Second Single Portfolio Detrimental Reserve Amount into the Relevant Additional Reserve SubAccount;

Twelfth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Thirteenth, to pay to the other Originators (*pari passu* and *pro rata* according to the amounts then due) the Portfolio Difference (if any);

Fourteenth, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above)

Fifteenth, to pay any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already

paid under other items of this Order of Priority, *pari passu* and *pro rata* according to the amounts then due, and (c) to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Sixteenth, to pay the Interest Amount on the relevant Series of Class B Notes (*pari passu* and *pro rata* according to the amounts then due);

Seventeenth, to pay the Single Series Class B Notes Additional Interest Payment Amount of the relevant Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* according to the amounts then due);

Eighteenth, following full redemption of the Class A Notes (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof), or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class B Notes Principal Amount Outstanding on such Payment Date;

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 remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds towards payments only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, and **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

"**Portfolio Difference**" means in respect of each Payment Date both before and after delivery of a Cross Collateral Notice or a

Trigger Notice, respectively:

(i) in relation to the Portfolio No. 1 and the Portfolio No. 2, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2, and

(b) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to *Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (i)(a) be higher than (i)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (i)(b) be higher than (i)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 2.

(ii) in relation to the Portfolio No. 1 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*)

to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to *Seventeenth* of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (ii)(a) be higher than (ii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (ii)(b) be higher than (ii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3.

(iii) in relation to the Portfolio No. 2 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre-Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Fourteenth*) to

(*Nineteenth*) of the Pre-Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (iii)(a) be higher than (iii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (iii)(b) be higher than (iii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3,

in each case, in respect of each couple of Portfolios under respectively paragraphs (i), (ii) and (iii) above, net of any Portfolio Difference paid and received between such couple of Portfolios in any previous Payment Date.

ACCELERATION ORDER OF PRIORITY

Following the delivery of a Trigger Notice, the Issuer 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):

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 the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account, (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Stichting Corporate Services Provider, the Paying Agents, the Cash Manager, the Irish Listing Agent, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicers (*pari passu* and *pro rata* to the extent of the respective amounts thereof) as provided under the Servicing Agreement;

Sixth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Class A Notes *(pari passu* and *pro rata* according to the amounts then due);

Eighth, to pay the Principal Amount Outstanding on the Class A Notes to the Class A Noteholders (*pro rata* according to the amounts then due);

Ninth, to pay to the not paid Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference (if any);

Tenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims not listed under the Transfer Agreement but matching the criteria listed in the Transfer Agreement and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as restitution of indemnities paid by the Originators under the Warranty and Indemnity Agreement referred under item (*Sixth*) above);

Eleventh, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG or CR Saluzzo under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Twelfth, to pay the Interest Amount on the Class B Notes (*pari passu* and *pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Thirteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Fourteenth, following full redemption of the Class A Notes, to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Fifteenth, to pay the relevant Outstanding Notes Ratio of any surplus to the Originators including any surplus remaining on the balance of the Payments Account (*pari passu* and *pro rata* according to the amount then due).

CROSS COLLATERAL ORDER OF PRIORITY

Following the delivery of a Cross Collateral Notice (and before the delivery of a Trigger Notice), the Issuer 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):

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 the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Irish Listing Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicers as provided under the Servicing Agreement;

Sixth, to pay to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Class A Notes (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the Class A Notes Principal Payment Amount to the Class A Noteholders (*pari passu* and *pro rata* according to the amounts then due) or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class A Notes on such Payment Date;

Ninth, first to credit *pari passu* and *pro rata* according to the amounts then due each Cash Reserve SubAccount with the amount required, if any, such that each Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter (ii) to credit *pari passu* and *pro rata* according to the amounts then due each Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Tenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Eleventh, to pay to each Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference according to the amounts then due (if any);

Twelfth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts the due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above);

Thirteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and

payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other item of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG, or CR Saluzzo under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Fourteenth, to pay the Interest Amount on the Class B Notes (*pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Fifteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Sixteenth, following full redemption of the Class A Notes, (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof); or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class B Notes on such Payment Date;

Seventeenth, 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 relevant Single Portfolio Detrimental Reserve Account, Cash Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Issuer Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Cross Collateral Order of Priority, as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not

correctly applied on the preceding Payment Dates.

SINGLE SERIES CLASS B NOTES INTEREST AMOUNT

Means on each Payment Date and in respect of each Series of Class B Notes, an amount equal to the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Eleventh*) of the Acceleration Order of Priority or under items from (*First*) to (*Thirteenth*) of the Cross Collateral Order of Priority, as applicable.

TRIGGER EVENTS

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

(a) *Non-payment*:

(i) having enough Single Portfolio Available Funds or Issuer Available Funds available to it to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, the Issuer defaults in the payment of the amount of principal then due and payable on the Class A Notes, or following redemption of the Class A Notes the amount of principal or interest then due and payable on the Class B Notes, in each case for a period of five Business Days from the due date thereof (provided however that, for the avoidance of doubt, non payment of principal on the Notes (on any Payment Date other than the Final Maturity Date), due to any of the Servicers not having provided the Quarterly Servicing Report and in accordance with Condition 4.1 (*Pre-Acceleration Order of Priority*) or Condition 4.7 (*Cross Collateral Order of Priority*) shall not constitute a Trigger Event);

(ii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount;

(iii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A Notes on the Final Maturity Date; 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 Most Senior Class of Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and 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 opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes 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 party is or proves to have been incorrect or misleading in any material respect 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 (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;

(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;

(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

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the Issuer (except 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.

(e) *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;

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 requested in writing by an Extraordinary Resolution of the Class A Noteholders (or following redemption of the Class A Notes, the Class B Noteholders) 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 requested in writing by an Extraordinary Resolution of the Class A Noteholders (or following redemption of the Class A Notes, the Class B Noteholders) in case of any other Trigger Event,

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

Following the delivery of a Trigger Notice, without any further action or formality, on the immediately following Payment Date, and on each Payment Date thereafter, all payments of principal,

interest and other amounts due with respect to the Notes shall be made in accordance with the Acceleration Order of Priority.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios in accordance with the Conditions. Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as the 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.

In any case the Representative of the Noteholders will not be allowed to sell the Portfolios if a bankruptcy or similar proceeding has been commenced against the Issuer and in any other circumstances where such a sale would be prohibited under Italian Law.

CROSS COLLATERAL EVENTS

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

(a) *Disequilibrium Event*

With respect to three successive Payment Dates, a Disequilibrium Event occurs;

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 5.50% (five point fifty percent);

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Principal Single Portfolio Shortfall is equal to or exceeds the Cash Reserve;

(d) *Arrear Ratio*

On any Calculation Date, the arithmetic mean of the Arrear Ratios of the four preceding Collection Periods (each calculated in the relevant Collection Date) exceeds 7%. For the avoidance of doubt the first calculation of such mean will be on 5 August 2014;

then the Representative of the Noteholders shall serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to the Servicers) and from the immediately following Payment Date the Cross Collateral Order of Priority shall apply without any further action or formality (provided that a Trigger Notice has not been already served).

"**Default Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims

which have become Defaulted Claims since the Effective Date (calculated on the date on which the Claim is classified Defaulted Claim), and (ii) the Outstanding Principal of the Claims as at the Effective Date.

"**Principal Single Portfolio Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Eighth*) (inclusive) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

"**Single Interest Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority and under item (*Eighth*) of the Pre-Acceleration Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

DISEQUILIBRIUM EVENT

A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to one or both of the others Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding or the Single Portfolio Class A Notes Principal Amount Outstanding has already been reduced to zero on a previous Payment Date.

Upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios (unless a Cross Collateral Notice has been served on the Issuer), the Issuer shall be obliged to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has not occurred.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Disequilibrium Event has occurred and to each Portfolio not affected by a Disequilibrium Event, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Ninth*) of the Pre-Acceleration Order of Priority.

DETRIMENTAL EVENT

A Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are

redeemed in full) when (i) the Default Ratio, as at any Collection Date, is higher than the Cumulative Target Default Ratio; or (ii) the aggregate balance of the Cash Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Cash Reserve SubAccounts on such Payment Date) and of the Additional Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Additional Reserve SubAccounts on such Payment Date) are less than 70% (seventy per cent) of the Global Target Cash Reserve Amounts (as defined below).

"**Cumulative Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 5%.

Upon the occurrence of a Detrimental Event, the Issuer shall be obliged to pay the Detrimental Reserve Amount into the Detrimental Reserve Account in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

"**Detrimental Reserve Amount**" means, with respect to any Payment Date, the difference between:

(i) the Single Portfolio Available Funds or the Issuer Available Funds (as applicable) in respect of such Payment Date; and

(ii) the aggregate of all payments to be made out of the relevant Single Portfolio Available Funds under items (*First*) to (*Eleventh*) of the Pre-Acceleration Order of Priority, or out of the Issuer Available Funds (as applicable) under items (*First*) to (*Ninth*) of the Cross Collateral Order of Priority on such Payment Date.

FIRST SINGLE PORTFOLIO DETRIMENTAL EVENT

A First Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Single Portfolio Default Ratio, as at any Collection Date, is higher than the Single Portfolio Target Default Ratio.

"**Single Portfolio Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 5%.

Upon the occurrence of a First Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

"**First Single Portfolio Detrimental Reserve Amount**" means with respect to a Payment Date on which a First Single Portfolio Detrimental Event has occurred and to each Portfolio, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Tenth*) of the Pre-Acceleration Order of Priority.

"**Single Portfolio Default Ratio**" means in respect to each Portfolio, the Default Ratio of the Claims comprised in such Portfolio.

SECOND SINGLE PORTFOLIO DETRIMENTAL EVENT

A Second Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the aggregate of the Relevant Cash Reserve (calculated taking into account any amount to be paid into and out of the Relevant Cash Reserve SubAccount on such Payment Date) and of the Relevant Additional Cash Reserve (calculated taking into account any amount to be paid into and out of the Relevant Additional Reserve SubAccount on such Payment Date) is less than 50% (fifty per cent) of the Relevant Global Target Cash Reserve Amount (as defined below).

Upon the occurrence of a Second Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the Second Single Portfolio Detrimental Reserve Amount (as defined below) with respect to each Portfolio having enough funds available for such purpose into each Relevant Additional Reserve SubAccount. Such Second Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a Second Single Portfolio Detrimental Event has not occurred.

"**Second Single Portfolio Detrimental Reserve Amount**" means with respect to each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred an amount equal to:

(i) in case the Second Single Portfolio Detrimental Event has occurred with respect to each of the other two Portfolios, the lower of (a) the Single Portfolio Available Funds available to make payments under item (*Tenth*) of the Pre-Accelleration Order of Priority and (b) the Cash Reserve Deficiency Amount of the two Portfolios with respect to which the Second Single Portfolio Detrimental Event has occurred; or

(ii) in case the Second Single Portfolio Detrimental Event has occurred with respect to one Portfolio only, the lower of

(a) the Single Portfolio Available Funds available to make

payments under item (*Eleventh*) of the Pre-Accelleration Order of Priority, and

(b) the product of:

(1) the ratio between (x) the principal amount outstanding of each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred; and (y) the aggregate of the principal amount outstanding of the Portfolios in respect to which the Second Single Portfolio Detrimental Event has not occurred, in each case as of the immediately preceding Collection Date; and

(2) the Cash Reserve Deficiency Amount, as of such Payment Date,

(such amount, for each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred, a "**Cash Reserve Deficiency Quota**")

provided that in case in respect of any of the two Portfolios in respect to which the Second Single Portfolio Detrimental Event has not occurred, the amount under (ii)(b) above is higher than the amount under (ii)(a) above (such positive difference being the "**Cash Reserve Deficiency Shortfall**", the Cash Reserve Deficiency Quota of the other Portfolio shall be increased by an amount (if any) equal to the lower of the Cash Reserve Deficiency Shortfall and the Single Portfolio Available Funds available to make payments under point (ii) above.

"**Cash Reserve Deficiency Amount**" means with respect to a Payment Date on which a Second Single Portfolio Detrimental Event has occurred and with respect to such Portfolio, the difference, if positive, between:

(i) the Relevant Global Target Cash Reserve Amount (calculated taking into account any amount to be paid into and out of the Relevant Cash Reserve SubAccount and the Relevant Additional Reserve SubAccount on such Payment Date) with respect to such Portfolio in respect of which a Second Single Portfolio Detrimental Event has occurred; and

(ii) the amount standing on such Payment Date to the credit of the Relevant Cash Reserve SubAccount and the Relevant Additional Reserve SubAccount of such Portfolio (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

CASH RESERVE

On the Issue Date the Issuer will establish a reserve fund in the Cash Reserve SubAccounts out of the net proceeds of the issue of the Notes. Specifically the Issuer on the Issue Date shall credit (i) Euro 3,116,000 on the Banca CR Savigliano Cash Reserve SubAccount to fund the Banca CR Savigliano Cash Reserve (as

defined below); (ii) Euro 2,250,000 on the Banca MCFVG Cash Reserve SubAccount to fund the Banca MCFVG Cash Reserve (as defined below); and (iii) Euro 3,014,000 on the CR Saluzzo Cash Reserve SubAccount to fund the CR Saluzzo Cash Reserve (as defined below).

"**Relevant Cash Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Cash Reserve, the Banca CR Savigliano Cash Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Cash Reserve, the Banca MCFVG Cash Reserve SubAccount and (iii) in respect of CR Saluzzo and the CR Saluzzo Cash Reserve, the CR Saluzzo Cash Reserve SubAccount.

"**Banca CR Savigliano Cash Reserve**", "**Banca MCFVG Cash Reserve**" and "**CR Saluzzo Cash Reserve**" means with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo, the monies standing from time to time to the credit of the Relevant Cash Reserve SubAccount at any given date.

"**Cash Reserve**" means the aggregate amount of such monies at any given date.

"**Relevant Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo the monies standing from time to time to the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority)

On each Payment Date prior to the delivery of a Trigger Notice up to (but excluding) the Payment Date on which the Class A Notes are redeemed in full, the Issuer will, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), pay into the Banca CR Savigliano Cash Reserve SubAccount, the Banca MCFVG Cash Reserve SubAccount and the CR Saluzzo Cash Reserve SubAccount an amount to bring the balance of such account equal to the relevant Target Cash Reserve Amount (respectively, the "**Banca CR Savigliano Target Cash Reserve Amount**", the "**Banca MCFVG Target Cash Reserve Amount**" and the "**CR Saluzzo Target Cash Reserve Amount**", each a "**Target Cash Reserve Amount**").

The "**Banca CR Savigliano Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount

Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca CR Savigliano Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

The "**Banca MCFVG Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca MCFVG Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

The "**CR Saluzzo Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount

Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the CR Saluzzo Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Cash Reserve Release Conditions**" means, with reference to any Payment Date on which the Pre-Acceleration Order of Priority applies, the following events: (a) the Disequilibrium Event has not occurred; (b) the Detrimental Event has not occurred; (c) the First Single Portfolio Detrimental Event has not occurred; (d) the Second Single Portfolio Detrimental Event has not occurred; (f) no Trigger Event nor Cross Collateral Event has occurred; (g) the Arrear Ratio does not exceed 7% (seven per cent) for three consecutive Payment Dates; (h) the balance of the Relevant Cash Reserve Account as of the immediately preceding Payment Date was equal to the Relevant Global Target Cash Reserve Amount.

"**Arrear Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the Outstanding Balance of all Claims which are Late Payments 90 Claims as at the immediately preceding Calculation Date, and (ii) the Outstanding Principal of the Claims (excluding the Defaulted Claims) at the immediately preceding Calculation Date.

As at the Issue Date, each of the amounts credited to respectively the Banca CR Savigliano Cash Reserve SubAccount, the Banca MCFVG Cash Reserve SubAccount and the CR Saluzzo Cash Reserve SubAccount will equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding.

Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the Portfolios in the event of a shortfall of the Single Portfolio Available Funds (being augmented through the Relevant Cash Reserve) and therefore the Relevant Cash Reserve will be included in the Single Portfolio Available Funds, to meet any shortfall in the Single Portfolio Available Funds (calculated without taking into account the amounts under item (x) of such Single Portfolio Available Funds) in respect of payments ranking as items (*First*) to (*Seventh*) of the Pre-Acceleration Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date.

Each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and the CR Saluzzo Cash Reserve on any Payment Date shall be utilised:

(i) *firstly*, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the

relevant Single Interest Shortfall, and

(ii) *thereafter* (to the extent not utilised under item (i)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date. In particular, the Cash Reserve will be included in the Issuer Available Funds to meet any shortfall in the Issuer Available Funds (calculated without taking into account the amounts under item (xii) of such Issuer Available Funds), in respect of payments ranking as (*First*) through (*Seventh*) of the Cross Collateral Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and on any Payment Date on which the Acceleration Order of Priority applies.

If, on any Calculation Date it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each relevant amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (each relevant amount, the "**Banca CR Savigliano Cash Reserve Excess**", the "**Banca MCFVG Cash Reserve Excess**" and the "**CR Saluzzo Cash Reserve Excess**" each a "**Cash Reserve Excess**") (if any) shall, on the Payment Date on which the Class A Notes are redeemed in full, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

On any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Target Cash Reserve Amount applicable to the immediately following Payment Date (each relevant amount, the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**" and the "**CR Saluzzo Cash Reserve Amortisation Amount**" each a "**Cash Reserve Amortisation Amount**" and collectively the "**Cash Reserve Amortisation Amounts**") (if any) shall, on the

immediately following Payment Date, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

ADDITIONAL CASH RESERVE

On the Issue Date the Issuer will establish a reserve fund in the Additional Reserve SubAccounts out of the net proceeds of the issue of the Notes. Specifically the Issuer on the Issue Date shall credit (i) Euro 3,116,000 on the Banca CR Savigliano Additional Reserve SubAccount to fund the Banca CR Savigliano Additional Cash Reserve (as defined below); (ii) Euro 2,250,000 on the Banca MCFVG Additional Reserve SubAccount to fund the Banca MCFVG Additional Cash Reserve (as defined below); and (iii) Euro 3,014,000 on the CR Saluzzo Additional Reserve SubAccount to fund the CR Saluzzo Additional Cash Reserve (as defined below).

"**Relevant Additional Reserve SubAccount**" means, (i) in respect of Banca CR Savigliano and the Banca CR Savigliano Additional Cash Reserve, the Banca CR Savigliano Additional Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Additional Cash Reserve, the Banca MCFVG Additional Reserve SubAccount and (iii) in respect of CR Saluzzo and the CR Saluzzo Additional Cash Reserve, the CR Saluzzo Additional Reserve SubAccount.

"**Banca CR Savigliano Additional Cash Reserve**", "**Banca MCFVG Additional Cash Reserve**" and "**CR Saluzzo Additional Cash Reserve**" means with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo, the monies standing from time to time to the credit of the Relevant Additional Reserve SubAccount at any given date.

"**Additional Cash Reserve**" means the aggregate amount of such monies at any given date.

"**Relevant Additional Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo the monies standing from time to time to the Relevant Additional Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

On each Payment Date prior to the delivery of a Trigger Notice up to (but excluding) the Payment Date on which the Class A Notes are redeemed in full, the Issuer will, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), pay into the Banca CR Savigliano Additional Reserve SubAccount, the Banca MCFVG Additional Reserve SubAccount and the CR Saluzzo Additional Reserve SubAccount an amount to bring the balance of such account equal to the relevant Target Additional Cash Reserve Amount (respectively, the "**Banca CR Savigliano Target Additional Cash Reserve Amount**", the "**Banca MCFVG Target Additional Cash Reserve Amount**" and the "**CR Saluzzo Target Additional Cash Reserve Amount**", each an "**Target Additional Cash Reserve Amount**" and collectively the "**Target Additional**

Cash Reserve Amounts").

"**Banca MCFVG Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca MCFVG Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca CR Savigliano Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca CR Savigliano Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**CR Saluzzo Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the CR Saluzzo Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Global Target Cash Reserve Amount**" means the aggregate of (i) the Target Additional Cash Reserve Amounts and (ii) the Target Cash Reserve Amounts.

"**Relevant Global Target Cash Reserve Amount**" means respectively with reference to: (a) CR Saluzzo, the aggregate of (i) the CR Saluzzo Target Additional Cash Reserve Amount and (ii) the CR Saluzzo Target Cash Reserve Amount; (b) Banca CR Savigliano, the aggregate of (i) the CR Savigliano Target Additional Cash Reserve Amount and (ii) the CR Savigliano Target Cash Reserve Amount; (c) MCFVG, the aggregate of (i) the MCFVG Target Additional Cash Reserve Amount and (ii) the MCFVG Target Cash Reserve Amount.

As at the Issue Date, the aggregate of the amounts credited to respectively the Banca CR Savigliano Additional Reserve SubAccount, the Banca MCFVG Additional Reserve SubAccount and the CR Saluzzo Additional Reserve SubAccount will equal to 2% of the aggregate of the Single Portfolio Initial Class A Notes Principal Amount Outstanding.

FINAL REDEMPTION

To the extent not otherwise redeemed, the Class A Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2048 and the Class B Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on November 2048 (the "**Final Maturity Date**").

MANDATORY REDEMPTION

The Class A Notes and the Class B Notes will be subject to mandatory redemption in full or in part (as indicated in the Conditions):

A. on any Payment Date (other than the Payment Date under item (B) below) in a maximum amount equal to their Principal Payment Amount with respect to such Payment Date;

B. on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding.

OPTIONAL REDEMPTION

The Issuer may redeem the Notes in whole (but not in part) at their respective Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption and any amounts required under the Intercreditor Agreement to be paid in priority to or *pari passu* with the Notes, (or, with the prior consent of the Class B Noteholders, to discharge all its outstanding liabilities in 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), on any Payment Date falling on or after the Clean-Up Date.

"**Clean-Up Date**" means the Payment Date falling in August 2017.

Such Optional Redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, 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 Notes and any amounts required under the Intercreditor Agreement to be paid in priority to or *pari passu* with each Class of Notes (or, with the prior consent of the Class B Noteholders, to discharge all its outstanding liabilities in 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).

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, the Noteholders in accordance with Condition 13 (*Notices*), to the effect that the Issuer:

A. (also through 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. (also through the Issuer's Agent) 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 Securitisations; and in each case will have 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 Conditions 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 (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.

SALE OF THE PORTFOLIOS

In the following circumstances:

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

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

(iii) after a Trigger Notice has been served on the Issuer pursuant to Condition 9 (*Trigger Events*) if an Extraordinary Resolution of the holders of the Class A Notes resolve to request the Issuer to sell all (or part only) 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 be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement. In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the

Portfolio if a bankruptcy or similar proceeding has been commenced against the Issuer or in any other circumstances where such sale would be prohibited under Italian law.

Should such a sale of the Portfolios take place, the proceeds of such sale shall be treated by the Issuer as Single Portfolio Available Funds or Issuer Available Funds, as the case may be, and as from the immediately subsequent Payment Date shall be applied to make payments due to be made by the Issuer according to the applicable Order of Priority.

In case of sale of the Portfolios, the purchase price of the Claims shall be equal to the Outstanding Balance plus interests accrued and unpaid as at such date.

If the Portfolios comprise any Defaulted Claim or any Claim classified as "*incagliato*" pursuant to the regulation issued by the Bank of Italy ("*Istruzioni di Vigilanza*"), the purchase price of such Claims shall be equal to their current value, as determined by one or more third parties independent from the purchaser and appointed by common consent by the Issuer and the Representative of the Noteholders.

SEGREGATION OF THE ISSUER'S RIGHTS

The Notes have the benefit of the provisions of article 3 of Law 130, pursuant to which the Issuer's Rights are segregated by operation of law from the Issuer's other assets. Both before and after a winding-up of the Issuer, amounts deriving from the Issuer's Rights will be available exclusively for the purpose 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 and to the corporate existence and good standing of the Issuer.

The Issuer's Rights may not be seized or attached in any form by 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 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 Other Issuer Creditors and any such third party.

Pursuant to the terms of the Intercreditor Agreement, the Issuer has granted irrevocable instructions to the Representative of the Noteholders, upon the Notes becoming due and payable following the delivering of a Trigger Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's rights, powers and discretions under the Transaction Documents and generally to take such actions in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Issuer's Rights. Such instructions are governed by Italian law. See for further details "*Description of the other Transaction Documents*".

RATINGS

The Class A Notes are expected, on issue, to be rated A(sf) by DBRS Ratings Limited and A+ by Standard & Poor's Credit Market Services Italy S.r.l. No rating will be assigned to the Class B Notes.

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

TAXATION

Payments under the Notes may, in certain circumstances referred to in the section headed "*Taxation*" of this Prospectus, be subject to such a withholding for or on account of tax including, without limitation, a Law 239 Deduction. In such circumstances, a Noteholder of any Class will receive interest payments amounts (if any) payable on the Notes of such Class, net of such withholding tax.

Upon the occurrence of any withholding for or on account of tax from any payments under the Notes, neither the Issuer nor any other Person shall have any obligation to pay any additional amount(s) to any Noteholder of any Class.

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. No application has been made to list the Class B Notes on the Irish Stock Exchange or on any other stock exchange.

GOVERNING LAW

The Notes will be governed by Italian law.

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. These risks are mitigated by the liquidity and credit support provided by, in respect of the Class A Notes, the subordination of the Class B Notes and the Cash Reserves.

However in each case, there can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Class B Notes and the Cash Reserves (in the case of the Class A Notes) will be adequate to ensure punctual and full receipt of amounts due under the Class A Notes.

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Servicers (or any permitted successors or assignees appointed under the Servicing Agreement) and the other parties to the Transaction Documents 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 will duly perform at all times their obligations under the Servicing Agreement and that a suitable alternative Servicer could be available to service the Portfolios if Banca CR Savigliano, Banca MCFVG and CR Saluzzo 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 Servicers have been appointed before the Issue Date and, in case, the relevant Back-Up Servicer shall service the Relevant Portfolio and assume and/or perform the duties and obligations of the relevant Servicer 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 CR Savigliano, Banca MCFVG and CR Saluzzo under the Servicing Agreement, the relevant Back-Up Servicer will fulfil its obligations to service the Relevant Portfolio. In addition, under the Intercreditor Agreement, the Back-Up Servicer Facilitator has been appointed prior to the Issue Date in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the Servicing Agreement.

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 disruptions 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, the Co-Arrangers 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 Relevant Portfolio sold by each of 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 and the Co-Arrangers 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. See the section headed

"*Description of The Warranty and Indemnity Agreement*", below. 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 the Law 130) and amounts deriving therefrom (for so long as such amounts are 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 (for so long as such amounts are 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 has undertaken (and is obligated pursuant to the Bank of Italy regulations) to open and to keep separate accounts in relation to each securitisation transaction; (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*.

However, 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. Notwithstanding the foregoing, 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.

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-a-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 there are not any Loan 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, Portfolio No. 1 will be serviced by Banca CR Savigliano, Portfolio No. 2 will be serviced by Banca MCFVG and Portfolio No. 3 will be serviced by CR Saluzzo. 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 (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 Servicers have been appointed before the Issue Date; however it is not certain that, in case of termination of the appointment of each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo under the Servicing Agreement, the relevant Back-Up Servicer will fulfil its obligations to service the Relevant Portfolio. For further details see section headed "*Description of the Servicing Agreement and the Back-Up Servicing Agreement*". In addition, under the Intercreditor Agreement, the Back-Up Servicer Facilitator has been appointed prior to the Issue Date in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the 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*).

1.8 Further securitisations

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolios. According to such condition, it is a condition precedent, *inter alia*, to any such securitisation that the Issuer has notified DBRS of the implementation of each further securitization, and has received prior confirmation from S&P that such implementation does not adversely affect the current ratings 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 the Italian Tax Autority (*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.

A transfer of claims falls within the scope of VAT if it can be characterized as a supply of services rendered by the purchaser. In this respect, a transfer of claims entails a supply of services in the event and to the extent that (i) it has a "financial purpose" pursuant to Article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. As far as the "financial purpose" is concerned, it must be pointed out that the transfer of the claims related to the securitisation in question takes place in the context of a "financial transaction" because (a) the Originators transfer the claims to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the claims) to be advanced to the Originators as transfer price of the claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims 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. As far as the transfer of claims for a consideration is concerned, it must be pointed out that this matter has been recently analyzed by the EU Court of Justice and by *Agenzia delle Entrate* (among others EU Court of Justice judgment of June 26, 2003 on case C-305/01 and Resolution No. 32/E of 11 March 2011 issued by *Agenzia delle Entrate*). According to the above judgments and resolutions, the remuneration of the "financial transaction" executed through the assignment of claims would be represented by any existing positive difference between the face value of the claims and the purchase price paid by the purchaser for the purchase of the same claims (i.e. the so-called "Discount") as well as by any commission paid by the transferor with the purpose to remunerate the transferee for the payment in advance made before the expiration of the claim, which in substance constitutes a financing. In the absence of a remuneration for the financing granted through the transfer of claims, such transfer cannot result in the supply of a "financial transaction" for VAT purposes. In a recent judgement (Judgement of October 27, 2011 on case C-93/10), the EU Court of Justice took an even more restrictive view on this matter, by stating, with specific reference to non-performing claims, as follows "*an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of that directive when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment*". On the basis of a cross interpretation of principles embodied in Resolution No. 32/E of 2011 and EU Court of Justice C-93/10, it can be summarized that, with specific reference to non-performing claims, whenever the amount paid by a purchaser in exchange for the acquisition of the claims reflects the actual economic value of the claims, no "financial service" for VAT purposes would be rendered by the purchaser. According to the above in a context of a securitisation transaction, as the one at stake, if (i) a portfolio of performing claims is not transferred for a consideration due by the transferor to the transferee nor a discount below the face value of the claims or (ii) a portfolio of non-performing claims is transferred for a price not below the actual economic value of the claims at the time of their assignment, the relevant transfer could be treated not as a "financial transaction" rendered by the Issuer and therefore the transaction could not qualify for VAT purposes as *operazione esente* (VAT exempt) and could qualify instead as *operazione fuori campo* (out of the scope of VAT). In this respect, if a transaction does not fall within the scope of

VAT, proportional registration tax will be applicable. 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 on the nominal value of the transferred claims. However it must be pointed out that both EU Court of Justice decisions and *Agenzia delle Entrate* resolutions mentioned above make specific reference to the transfer of claims within the context of a factoring transaction and without specifically considering a securitisation transaction. Since both factoring and securitisation transactions share similar "financial purposes", the general consensus in the tax doctrine is that the transfer of claims must be treated similarly within the context of both transactions. However a different interpretation may be suggested by a different characterisation of a securitisation transaction vis à vis a factoring transaction. In particular it may be argued that usually the purpose of the transfer of claims is that of raising funds (i.e. being financed) through the subscription of the senior notes by the investors (which remuneration are the interests on the senior notes).

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. The Italian tax authority (*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 Representative of the Noteholders, the Italian Account Bank, the English Account Bank, the Agent Bank, the Servicers, the Security Trustee, the Irish Listing Agent, the Stichting Corporate Services Provider, the Corporate Services Provider, the Computation Agent, the Cash Manager, the Local Paying Agent 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, the Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes of each Series will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes.

Following the delivery of a Trigger Notice with respect to the obligation of the Issuer to pay interest and repay principal on the Notes, the Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves. The Class B Notes of each Series will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes.

Principal on each Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of available funds deriving from collections and recoveries from the Relevant Portfolio

provided that following delivery of a Cross Collateral Notice and/or delivery of a Trigger Notice, principal on all Series of Class B Notes will be reimbursed and interest accrued thereon will be paid out of the aggregate available funds deriving from collections and recoveries of all the Portfolios, but in an amount which is a function of the performance of the Relevant Portfolio. The Class B Notes shall at all times be subordinated to the Class A Notes.

If a Trigger Notice is served, as long as any Class A Notes are outstanding, unless notice has been given to the Issuer declaring the Class A Notes due and payable, the Class B Notes shall not be capable of being declared due and payable and the Class A Noteholders will be entitled to determine the remedies to be exercised. Remedies pursued by the Class A Noteholders could be adverse to the interests of the Class B Noteholders. No repayment of principal will be made on any Class of Notes until all principal due on each Class of Notes ranking in priority thereto has been repaid.

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 Class A 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 potential noteholder is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular 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 Offering Circular.

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 Class A Notes and may have different fixing mechanism), whilst the Class A 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 Class A 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 Class A Notes.

2.6 Limited nature of credit ratings assigned to the Class A Notes

The credit rating assigned to the Class A Notes reflects the Rating Agencies' assessment only in relation to a likelihood of timely payment of interest and the ultimate repayment of principal on or

before the Final Maturity Date, not that such payments will be paid when expected or scheduled. These ratings are 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, *inter alia*, the following:

(i) the possibility of the imposition of Italian or European withholding tax; or

(ii) the marketability of the Class A Notes, or any market price for the Class A Notes; or

(iii) whether an investment in the Class A Notes is a suitable investment for the Noteholder.

A rating is not a recommendation to purchase, hold or sell the Class A 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 Class A Notes has declined or is in question. If any rating assigned to the Class A Notes is lowered or withdrawn, the market value of the Class A Notes may be affected.

2.7 Suitability

Prospective investors should determine whether an investment in the Class A 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 Class A Notes and to arrive at their own evaluation of the investment.

Investment in the Class A 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 Class A 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 Class A Notes; and

4. recognise that it may not be possible to dispose of the Class A Notes for a substantial period of time, if at all.

Prospective investors in the Class A Notes should make their own independent decision whether to invest in the Class A Notes and whether an investment in the Class A 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 Class A Notes should not rely on or construe any communication (written or oral) of the Issuer, the Originators or the Servicers or the Co-Arrangers as investment advice or as a recommendation to invest in the Class A 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 Class A Notes.

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

2.8 Absence of secondary market

There is not, at present, an active and liquid secondary market for the Class A Notes. The Class A 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 Class A 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 Class A Notes will develop, or, if a secondary market does develop in respect of any of the Class A Notes, that it will provide the holders of such Class A Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Class A Notes. Consequently, any purchaser of Class A Notes must be prepared to hold such Class A 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.

2.10 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) in September 2011 (*The implementation of monetary policy in the Euro area*) and in March 2013 *(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, the Co-Arrangers 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.

2.11 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. 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.

2.12 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.

2.13 Change of law

The structure of the transaction and, *inter alia,* the issue of the Notes and the rating assigned to the Class A 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 and unsecured loans governed by Italian law. Each Portfolio has 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 Offering Circular, the impact which the mentioned laws will have on the Loans comprised in the Portfolios cannot be fully assessed. See the section headed "*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 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 the Borrowers 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, because the ultimate consequence of the declaration of ineffectiveness of payments under Article 65 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*".

In this regard, it has to be noted that a recent case from the Italian Supreme Court (judgment no. 19978 of July 18th 2008 specifically regarding the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*)) has stated that Article 65 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 (as set forth by the provisions regulating the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act *(mutui fondiari*)). Consequently, based on the above court decision, payments received under the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*) included in the Portfolios would not be subject to claw back under Article 65.

More 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 Restructuring arrangements in accordance with Law No. 3 of 27 January 2012

Law No. 3 of 27 January 2012 (the "**Law 3/2012**"), as amended, applies, *inter alios*, to (i) debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law; or (ii) to debtors which have not benefited of any procedure set out by Law 3/2012 in the past five years. In ant case the debtors must comply with article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

In addition a specific procedure is provided by Law 3/2012 in relation to debtors who qualify as consumers ("*consumatori*").

In particular, according to the provision of Law 3/2012, a debtor in a state of over indebtedness ("*stato di sovraindedbitamento*") is entitled to submit to his creditors, with the assistance of a competent body ("*Occ-Organismi per la Composizione della Crisi*"), a debt restructuring arrangement (the "**Restructuring Agreement**") which shall in any case ensure the full payment of the creditors whose claims towards the relevant debtor are not subject to be attached ("*pignorati*") in accordance with article 545 of the Italian code of civil procedure.

The Restructuring Agreement shall provide the revised terms of payment of all of the debtor's obligations, including – at certain conditions – the secured creditors ("*creditori privilegiati*"). The Restructuring Agreement becomes effective, upon approval ("*omologazione*") by the competent Court (which shall be given in any case within 6 months from the date on which the proposal of Restructuring Agreement is submitted by the relevant debtor). In any case a favorable vote of creditors representing at least 60% of the debtor's claims is required for the approval of the Restructuring Agreement.

Under the approved Restructuring Agreement, which shall be binding for all of the creditors of the relevant debtor, the latter may obtain: (a) up to a one-year period moratorium for secured creditors ("*creditori privilegiati*"); (b) the suspension of all foreclosure procedures and seizures ("*sequestri conservativi*") against it; (c) that creditors will be prevented from creating pre-emption rights ("*diritti di prelazione*") on the debtor's assets; and (d) that legal interests will stop to accrue.

As a consequence of the entering into force of the Restructuring Agreement, the debtor's assets will be considered as attached, and could not be further attached by upcoming creditors.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 days from the established deadlines, or if they attempt to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

As an alternative to the procedure described hereabove, the debtors (i) in a state of over indebtedness ("*stato di sovraindebitamento*") and (ii) which have not benefited of any procedure set out by Law 3/2012 in the past five years, may request the voluntary winding up of all its assets.

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant debtor to transfer its assets to such liquidator. The appointed liquidator will then pay creditors proportionally to their claims (save for claims with pre- emption causes ("*diritti di prelazione*")). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures ("*sequestri conservativi*") on the debtor's assets will be suspended. Such procedure cannot have a duration lower than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator's assets and will be applied by the latter to pay the creditors of the relevant debtor.

Should any Borrower enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Borrower suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released.
However, given the novelty of this new legislation, the impact thereof on the cashflows deriving from the Portfolios and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

3.4 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 revaluated 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 Mortgage Loans, and consequently, the amount available to make payments on the Notes.

3.5 Italian Usury Law

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (as also amended by law decree number 70 of 13 May 2011 ("*Decreto Sviluppo"*), as converted into Law no. 106 of 12 July 2011) (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 has been issued on 25 March 2013). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court decision number 46669 of 23 November 2011. In particular the Italian Supreme Court, with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has recently clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*"), related to the relevant agreement (other than taxes and fees) shall also be considered.

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 as 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 each of the Originators 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 each of the Originators. See the section headed "*Description of the Warranty and Indemnity Agreement*".

3.6 Insurance Policies

In addition to the Claims arising from Loan Agreements, the Originator has also transferred the benefits and rights deriving from any Real Estate Insurance Policy entered into with respect to the Claims deriving from Mortgage Loan Agreements. Please refer to the sections entitled "*Description of the Transfer Agreement*" and "*Description of the Warranty and Indemnity Agreement*".

Under the Warranty and Indemnity Agreement, the Originator has warranted that the Real Estate Insurance Policies name the Originator as the direct or indirect beneficiary of any indemnity to be paid thereunder (the "**Indemnities**"). Pursuant to the Transfer Agreement, the benefits and rights deriving from any Real Estate Insurance Policies are transferred to the Issuer.

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

3.7 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 capitalised and provided that the capitalisation 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 recognised customary practices (*usi normativi*). Banks in Italy have traditionally capitalised 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. 342/1999 (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 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*".

3.8 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 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.

3.10 *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 the section headed "*Selected aspects of Italian law - Mutui fondiari*".

3.11 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 mortgage 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 Mortgage Loans can be higher than the one traditionally experienced by each of the Originators for mortgage loans.

3.12 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 ten 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.

3.13 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 struck 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.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

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.

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

A receiver appointed by the Security Trustee 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 Security Trustee were 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 Security Trustee 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 Security Trustee 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.

3.15 Warranty as to the existence of the claims

Under the Transfer Agreements and the Warranty and Indemnity Agreements, the Originators have warranted, *inter alia*, that the Claims are all existing claims and the Originators have undertaken, *inter alia*, to indemnify the Issuer for the breach of any warranties expressed under such agreements. See the section headed "*Description of the Warranty and Indemnity Agreements*".

3.16 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.

3.17 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 2014, 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 an 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.

3.18 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, the Originators and the Co-Arrangers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the relevant Issue Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122-*bis* of the Capital Requirements Directive ("**Article 122-*bis***") 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 122-*bis* 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 122-*bis*. Article 122-*bis* 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 122-*bis* will result in the imposition of a penal capital charge on the notes acquired by the relevant investor. More specifically, where the relevant requirements of Article 122-*bis* of the CRD are not complied with in any material respect a proportionate additional risk weight of no less than 250 per cent of the risk weight (with the total risk weight capped at 1250 per cent) which would otherwise apply to the relevant securitisation position shall be imposed on such credit institution.

In any case, there remains considerable uncertainty with respect to Article 122-*bis* 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 122-*bis* should seek guidance from their regulator. Similar requirements to those set out in Article 122-*bis* 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 122-*bis* of the Capital Requirements Directive 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 fulfilment by the Originators of the requirements of the Article 122-*bis* please refer to section headed "*Compliance with Article* 122-bis *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.

PRINCIPAL PARTIES

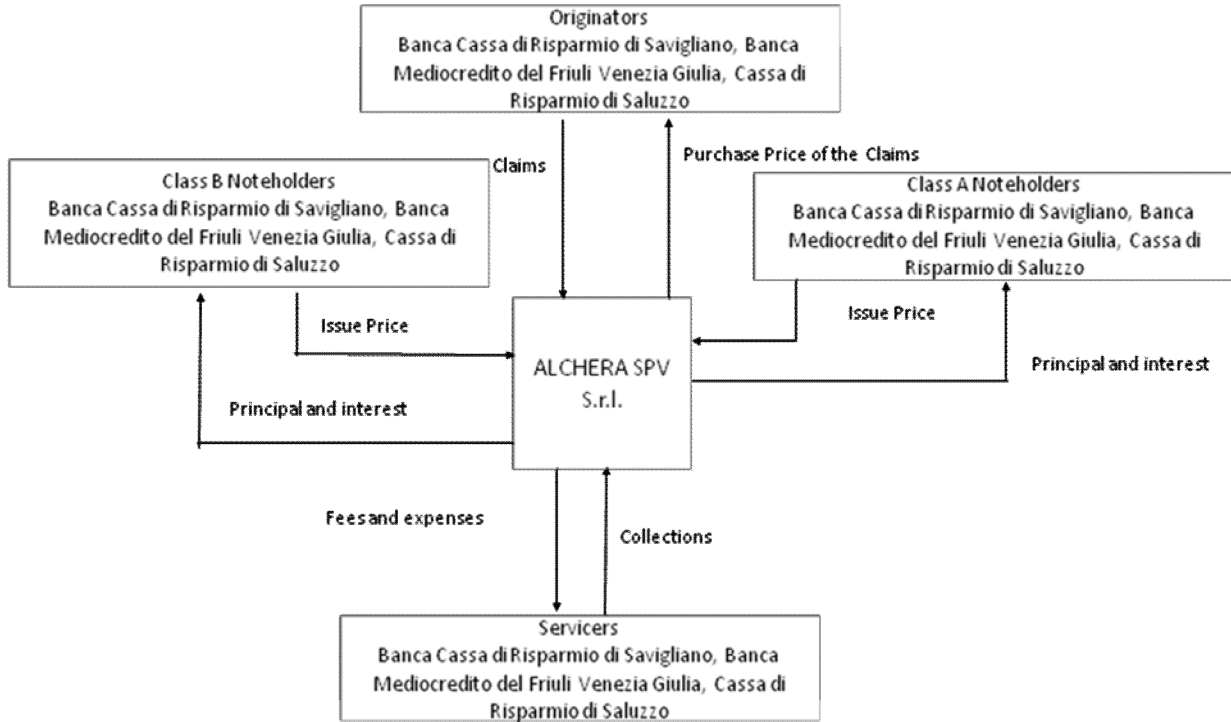
ISSUER	**Alchera SPV S.r.l.**, a limited liability company (*società a responsabilità limitata*) incorporated under article 3 of Law 130, with paid-in share capital of Euro 10,000, registered in the Register of Companies of Milan, VAT number 08149260963, REA number MI - 2005797, enrolled in the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011 with No. 35076.9, whose registered office is at Via Statuto, 10, 20121 - Milan, Italy.
THE ORIGINATORS	**Banca Cassa di Risparmio di Savigliano S.p.A.**, a bank incorporated in Italy as a *società per azioni*, with paid-in share capital of Euro 23,982,400.00, whose registered office is at Piazza del Popolo, 15 - 12038 Savigliano (CN), Italy, VAT number 00204500045, enrolled in the Companies' Register of Cuneo under number 00204500045 ("**Banca CR Savigliano**"); **Banca Mediocredito del Friuli Venezia Giulia S.p.A.**, a bank incorporated in Italy as a *società per azioni*, with paid-in share capital of Euro 82,392,021.00, whose registered office is at Via Aquileia, 1 - 33100 Udine, Italy, VAT number 00269390308, enrolled in the Companies' Register of Udine under number 00269390308 ("**Banca MCFVG**"); **Cassa di Risparmio di Saluzzo S.p.A.**, a bank incorporated in Italy as a *società per azioni*, with paid-in share capital of Euro 33,280,000, whose registered office is at Corso Italia, 86 – 12037 Saluzzo (CN), Italy, enrolled in the Companies' Register of Cuneo, VAT number 00243830049 ("**CR Saluzzo**" or the "**Originator**" and together with Banca CR Savigliano and Banca MCFVG, collectively the "**Originators**").
PRINCIPAL PAYING AGENT	**Citibank N.A., London Branch**, a bank incorporated under the laws of United States of America, acting through its London branch, registered in the United Kingdom under number BR001018, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom ("**Citibank, London Branch**"), acting in its capacity as principal paying agent, or any other person from time to time acting as principal paying agent (the "**Principal Paying Agent**").
ITALIAN ACCOUNT BANK	**Citibank N.A., Milan Branch**, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy ("**Citibank, Milan Branch**"), acting in its capacity as Italian account bank, or any other person from time to time acting as Italian account bank (the "**Italian Account Bank**").
LOCAL PAYING AGENT	**Citibank N.A., Milan Branch**, or any other person from time to time acting as local paying agent (in such capacity, the "**Local Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**").

ENGLISH ACCOUNT BANK, AGENT BANK and CASH MANAGER	**Citibank N.A., London Branch**, or any other person from time to time acting as English account bank (the "**English Account Bank**"), as agent bank (the "**Agent Bank**") and cash manager (the "**Cash Manager**").
REPRESENTATIVE OF THE NOTEHOLDERS	**Accounting Partners S.r.l.**, a limited liability company, VAT number 9180200017, whose registered office is at Corso Re Umberto 8 – 10121 Torino, Italy, acting also trough its operative office located in Milano, Via Statuto 10 ("**Accounting Partners**"), or any other person from time to time acting as representative of the noteholders (the "**Representative of the Noteholders"**).
SERVICERS	**Banca CR Savigliano**, **Banca MCFVG** and **CR Saluzzo**, or any other person from time to time acting as servicer (each of them a "**Servicer**" and collectively the "**Servicers**").
BACK-UP SERVICERS	**Banca CR Savigliano**, **Banca MCFVG** and **CR Saluzzo**, or any other person from time to time acting as back-up servicer (each of them a "**Back-Up Servicer**" and collectively the "**Back-Up Servicers**"). (i) with respect to Banca CR Savigliano, CR Saluzzo, or, should the event under clause 2.3(b) of the Back-Up Servicing Agreement occur, Banca MCFVG; (ii) with respect to CR Saluzzo, Banca CR Savigliano, or, should the event under clause 2.3(a) of the Back-Up Servicing Agreement occur, Banca MCFVG; (iii) with respect to Banca MCFVG, Banca CR Savigliano, or, should the event under clause 2.1(b) of the Back-Up Servicing Agreement occur, CR Saluzzo; or (iv) the External Back-Up Servicer, or any other person from time to time acting as Back-Up Servicer. "**External Back-Up Servicer**" means the back-up servicer to be appointed pursuant to clause 9 of the Servicing Agreement and which must be an entity different from the Originators.
CORPORATE SERVICES PROVIDER	**Accounting Partners**, or any other person from time to time acting as corporate services provider (the "**Corporate Services Provider**").
STICHTING CORPORATE SERVICES PROVIDER	**Wilmington Trust SP Services (London) Limited**, a company incorporated under the laws of England and Wales, having its registered office at 3rd Floor, 1 King's Arms Yard, London EC2R 7AF, UK ("**Wilmington Trust**"), or any other person from time to time acting as stichting corporate services provider (the "**Stichting Corporate Services Provider**").
COMPUTATION AGENT	**Accounting Partners**, or any other person from time to time acting as computation agent (the "**Computation Agent**").
BACK-UP SERVICER FACILITATOR	**Accounting Partners**, or any other person from time to time acting as back-up servicer facilitator (the "**Back-Up Servicer Facilitator**").
SECURITY TRUSTEE	**Accounting Partners**, or any other person from time to time acting as

security trustee (the "**Security Trustee**").

IRISH LISTING AGENT	**Investec Capital & Investments (Ireland) Limited**, a private limited company organised under the laws of Ireland, registered with the Companies Registration Office under company number 223158 and having its registered office at The Harcourt Building, Harcourt Street, Dublin 2, or any other person from time to time acting as listing agent of the Notes in Ireland (the "**Irish Listing Agent**")
QUOTAHOLDER	**Stichting Dean**, a foundation (*Stichting*) having its registered office at Claude Debussylaan 24, 1082 MD, Amsterdam and enrolled at the Chamber of Commerce in Amsterdam at the No. 56425015 (the "**Quotaholder**").
CO-ARRANGERS	**A & F S.A.**, whose registered office is at 48, Boulevard Grande Duchesse Charlotte, L-1330 Luxembourg – GD Luxembourg (the "**Co-Arranger**"); **Eidos Partners S.r.l.,** whose registered office is at Via Santo Spirito, 14, 20121 Milano (the "**Co-Arranger**" and together with A&F S.A. the "**Co-Arrangers**").

TRANSACTION DIAGRAM



THE PORTFOLIOS

The Portfolios purchased by the Issuer comprise debt obligations arising out of loans classified as performing by the relevant Originator. Further portfolios of loans may not be assigned to the Issuer.

SELECTION CRITERIA OF THE CLAIMS

The Claims included in the Portfolios as at the Valuation Date, (or the different date specified in the relevant criterion) must meet the following general criteria (the "**General Criteria**") as well as the further specific objective criteria (the "**Specific Criteria**") as set out for Banca CR Savigliano, Banca MCFVG and CR Saluzzo below, in order to ensure that the Claims have the same legal and financial characteristics. The General Criteria are as follows:

(a) Loans denominated in Euro and deriving from Loan Agreements which contain no provisions that allow the conversion into a different currency;

(b) Loans deriving from Loan Agreements regulated by Italian law;

(c) Loans deriving from Loan Agreements in relation to which at least an Installment has been paid;

(d) Loans deriving from Loan Agreements which provide for the full reimbursement of the relevant Loan on a date not later than 31 December 2038;

(e) Loans deriving from Loan Agreements (1) which in relation to all the Installments due and payable, save for the last Installment, do not hold any due and unpaid Installment as at the Valuation Date; (2) which as at the Valuation Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days; (3) which as at the Effective Date, do not hold any due and unpaid Installment for a period longer than 30 (thirty) days;

(f) Loans fully disbursed and in relation to which there is no obligation, neither it is possible, to disburse any further amount;

(g) Loans deriving from Loan Agreements whose relevant Borrowers and guarantors are (i) individuals resident in Italy or (ii) legal entities incorporated under Italian law, having their registered office in Italy;

(h) Loans deriving from Loan Agreements that if secured by Mortgages over Real Estate Assets, the relevant Real Estate Asset is located in Italy;

(i) Loans deriving from Loan Agreements whose spread, if a floating rate is applicable, is at least equal to or higher than 0.50%;

(j) Loans deriving from Loan Agreements whose Borrowers are qualified as small and medium enterprises (*piccole e medie imprese*) pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

excluding:

i. loans deriving from loan agreements pursuant to any Italian law provisions or any EU legislation allowing any contributions, profits or facilities of whatever kind including *fondi di rotazione finanziari* (the so-called "***Mutui agevolati***" and "***Mutui convenzionali***") except for (i) the State intervention provided by Law No. 662/96, as implemented by Law No. 266/97, and by D.M. No. 248/99 and (ii) by Law 949/1952, as amended and supplemented from time to time;

ii. loans deriving from loan agreements granted to persons being directors and/or employees (including without limitation executives (*dirigenti*) and officers (*funzionari*)) of the relevant Originator;

iii. loans deriving from loan agreements granted to companies being affiliates (*società participate*) of the relevant Originator;

iv. loans jointly granted to the relevant borrower by a pool of banks/credit institutions, including the Originator ("*mutui in pool*");

v. loans deriving from loan agreements which as at the Valuation Date have been classified as delinquent claims (*crediti incagliati*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vi. loans deriving from loan agreements which at any time have been classified as defaulted claims (*crediti in sofferenza*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);

vii. loans deriving from loan agreements whose borrowers are individuals that, in compliance with the classification criteria set forth by the determination of Bank of Italy No. 140 dated 11 February 1991 (as subsequently amended), fall within the SAE activity sector ("*settore di attività economica*") from No. 100 to No. 191 ("*Amministrazioni pubbliche*"), from No. 470 to No. 475, No. 500 ("*Istituzioni senza scopo di lucro al servizio delle famiglie*"), No. 501 ("*Enti non riconosciuti*"), No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") for the purpose of purchase their first home, No. 615 ("*altre famiglie produttrici*") for the purpose of purchase their first home and from No. 768 to No. 775 ("*Famiglie Estere*").

viii. loans deriving from loans granted to small and medium enterprises in accordance with the convention entered into between the ABI and *Cassa Depositi e Prestiti* on 17 December 2010;

ix. loans deriving from loan agreements which provide for the payment of constant instalments with variable duration.

<u>The Specific Criteria with reference to the the Banca Cr Savigliano are as follows:</u>

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements which have been disbursed after 1 January 2001 and before 28 February 2013;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 4,500,000;

(d) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(e) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(f) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant principal quota and an interest quota;

excluding:

i. loans deriving from loan agreements which provide an amortization plan, so-called bullet, according to which each installment consists of the interest quota, except for the last installment, which is composed by a principal quota and by an interest quota;

ii. loans deriving from loan agreements secured by Consorzio Credit Agri Italia;

iii. loan deriving from the loan agreement having the following number: 23/20/01168.

<u>The Specific Criteria with reference to the the Banca Cr Saluzzo are as follows:</u>

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 1 month Euribor or (ii) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 5,500,000;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 40,000;

(d) Loans deriving from Loan Agreements which provide for the full disbursement of the relevant Loan after 30 June 2013;

(e) Loans deriving from Loan Agreements which have been disbursed after 31 March 2001 and before 1 March 2013;

(f) Loans with reference to which the pre-amortisation period (if any) specified in the relevant Loan Agreement has elapsed;

(g) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant principal quota and an interest quota;

excluding:

i. loans deriving from loan agreements secured by Consorzio Credit Agri Italia;

ii. loans deriving from loan agreements which provide an amortization plan, so-called bullet, according to which each installment consists of the interest quota, except for the last installment, which is composed by a principal quota and by an interest quota;

iii. loans deriving from loan agreements having the following numbers: 1006524, 1002400, 1004024, 1012154, 1010514, 1011449, 1005808, 1004568, 1005880, 1000176, 1011609, 1012087, 1011575, 1010542, 1009625, 1011469, 1004980, 1003385, 1000982, 1005551, 7501606, 1010894, 1008734, 1008391, 1012014, 1002562, 1007935, 1008998, 1009827, 1008052, 1009118, 1007899, 1002443, 1008578, 1004019, 1004506, 7500941, 1005924, 6402331, 1002097, 1008901, 6402513, 6402488,

1005759, 1003817, 1005017, 1006235, 1004530, 1009460, 1008633, 1008545, 1007159, 1009579, 1009455, 1003903, 1005008, 1000070, 6402348, 6400024, 1002329.

The Specific Criteria with reference to the the Banca MCFVG are as follows:

(a) Loans deriving from Loan Agreements which, if a floating rate is applicable, such floating rate is exclusively indexed to (i) 1 month Euribor or (ii) 3 month Euribor or (iii) 6 month Euribor;

(b) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not higher than Euro 6,000,000;

(c) Loans deriving from Loan Agreements whose principal amount outstanding is, as at the Valuation Date, not lower than Euro 10,000;

(d) Loans deriving from Loan Agreements which have been disbursed after 1 January 1998 and before 28 February 2013;

(e) Loans deriving from Loan Agreements which provide a:

(i) French reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant amount and is divided in a principal quota (which increases over time) and an interest quota; or

(ii) Italian reimbursement plan, i.e. an amortisation plan pursuant to which each Instalment has a constant principal quota and an interest quota; or

(iii) bullet amortisation plan, i.e. an amortisation plan pursuant to which the principal quota is wholly paid by means of one instalment, upon expiry of the relevant amortisation plan;

(f) Loan deriving from the Loan Agreement having the following number 20823000 and a personalised amortisation plan, pursuant to which the amount of each instalment has been determined in accordance with the pre-established criteria set out in the relevant Loan Agreement;

excluding:

i. loans deriving from loan agreements qualified as "*agricultural credit*" (*credito agrario*) pursuant to article 43 of the Consolidated Banking Act, also in case the agricultural credit transaction has been executed through an agricultural bill (*cambiale agraria*);

ii. loans deriving from loan agreements with reference to which the relevant Originator and its respective borrower have executed a moratorium agreement providing for the suspension of payment of the installments (entirely or only with respect to the principal quota) and whose principal amount outstanding is, as at the Valuation Date, higher than Euro 1,455,000

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 6 June 2013. The information in the following tables reflects the position as at 31 May 2013. The characteristics of the Portfolios 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 the Issue Date (in relation to the real property backing the Claims, there has been no revaluation of such properties for the purpose of the issue of the Notes and the valuation quoted are as at the date of the original initial mortgage loan origination).

Unless stated otherwise, in the following range breakdown tables the lower boundary is intended included, the upper boundary is intended excluded.

Breakdown by Originator / Loan type

Bank	Mortgage Loans			Non-mortgage Loans			TOTAL		
	Number of Loans	Current Balance*	% of single / total portfolio	Number of Loans	Current Balance	% of single / total portfolio	Number of Loans	Current Balance	%
Banca CR Savigliano	562	153,051,073.84	64.1%	1.006	85.885.448,45	35.9%	1,568	238,936,522.29	37.2%
CR Saluzzo	594	147,327,196.76	63.7%	397	83.793.888,66	36.3%	991	231,121,085.42	36.0%
MCFVG	253	155,456,455,99	90.1%	63	17.119.674,78	9.9%	316	172,576,130.77	26.9%
TOTAL	**1.409**	**455,834,726.59**	**70.9%**	**1.466**	**186.799.011,89**	**29.1%**	**2,875**	**642,633,738.48**	**100.0%**

* Outstanding balance as of 31 May 2013

Breakdown by Debtors' Province

Province	Region	Number of Loans	%	Current Balance	%	Original Balance	%
CN	Piemonte	1756	61.08%	338,779,990.44	52,72%	481,643,090.49	52.84%
TO	Piemonte	765	26.61%	121,471,056.56	18,90%	168,580,880.11	18.49%
UD	Friuli Venezia Giulia	220	7.65%	95,949,122.86	14,93%	134,884,628.80	14.80%
TV	Veneto	14	0.49%	18,186,324.14	2,83%	22,395,000.00	2.46%
TS	Friuli Venezia Giulia	24	0.83%	15,344,836.14	2,39%	26,916,193.71	2.95%
PD	Veneto	7	0.24%	8,650,692.74	1,35%	13,850,000.00	1.52%
VE	Veneto	12	0.42%	8,261,027.98	1,29%	10,840,000.00	1.19%
MI	Lombardia	11	0.38%	6,576,848.65	1,02%	10,610,000.00	1.16%
VI	Veneto	4	0.14%	6,350,194.18	0,99%	9,025,000.00	0.99%
GO	Friuli Venezia Giulia	18	0.63%	4,389,215.69	0,68%	6,148,800.00	0.67%
VR	Veneto	5	0.17%	3,881,588.11	0,60%	4,596,800.00	0.50%
BG	Lombardia	4	0.14%	2,766,096.12	0,43%	4,000,000.00	0.44%
FE	Emilia romagna	1	0.03%	2,294,527.68	0,36%	2,500,000.00	0.27%
IM	Liguria	3	0.10%	1,913,790.34	0,30%	2,150,000.00	0.24%
MB	Lombardia	1	0.03%	1,497,379.05	0,23%	2,000,000.00	0.22%
RE	Emilia Romagna	1	0.03%	1,255,276.31	0,20%	1,500,000.00	0.16%
Other*		29	1.01%	5,065,771.49	0,79%	9,901,136.18	1.09%
TOTAL		**2,875**	**100.0%**	**642,633,738.48**	**100,00%**	**911.541.529,29**	**100.00%**

** Representing individually less than 0.2% of the Current Balance of the total Portfolio*

Breakdown by Interest Rate Type

Interest rate type	Number of Loans	%	Current Balance	%
Floating	2,544	88.5%	582,155,667.30	90.6%
Fixed	264	9.2%	46,693,385.15	7.3%
Optional	62	2.2%	12,429,081.12	1.9%
Fixed to floating	5	0.2%	1,355,604.91	0.2%
TOTAL	**2,875**	**100.0%**	**642,633,738.48**	**100.0%**

Breakdown by Current Interest Rate Index

Interest Rate Index	Number of Loans	%	Current Balance	%
Euribor 1m	5	0.2%	2,223,549.54	0.3%
Euribor 3m	1,903	66.2%	444,100,686.99	69.1%
Euribor 6m	686	23.9%	146,461,185.19	22.8%
Fixed Rate	281	9.8%	49,848,316.76	7.8%
TOTAL	**2,875**	**100.0%**	**642,633,738.48**	**100.0%**

Breakdown by Amortisation Type

Amortisation Type	Number of Loans	%	Current Balance	%
French	2,862	99.5%	627,825,532.34	97.7%
Bullet	7	0.2%	9,300,000.00	1.4%
Fixed Amortisation Schedule	1	0.0%	5,000,000.00	0.8%
Linear	5	0.2%	508,206.14	0.1%
TOTAL	**2,875**	**100.0%**	**642,633,738,48**	**100.0%**

Breakdown by Principal Payment Frequency

Principal Payment Frequency	Number of Loans	%	Current Balance	%
Monthly	1,666	57.95%	270,660,959.37	42.1%
Quarterly	497	17.29%	175,345,115.62	27.3%
Semi annually	689	23.97%	179,871,363.04	28.0%
Bullet	7	0.24%	9,300,000.00	1.4%
Other	16	0.56%	7,456,300,45	1.2%
TOTAL	**2,875**	**100.00%**	**642,633,738.48**	**100.0%**

Breakdown by NACE Code

NACE Code	Number of Loans	%	Current Balance	%
A1	591	20.6%	141,817,862.64	22.1%
L68	251	8.7%	78,309,017.48	12.2%
G46	225	7.8%	51,010,523.97	7.9%
F41	208	7.2%	48,319,831.89	7.5%
G47	311	10.8%	40,015,751.31	6.2%
D35	43	1.5%	34,649,849.77	5.4%
C23	37	1.3%	25,290,304.76	3.9%
C25	105	3.7%	22,107,778.04	3.4%
H49	68	2.4%	14,120,142.06	2.2%
C10	70	2.4%	13,621,904.54	2.1%
F43	108	3.8%	13,379,534.71	2.1%
I55	54	1.9%	11,034,590.13	1.7%
C28	32	1.1%	10,663,437.24	1.7%
C31	27	0.9%	9,840,008.31	1.5%
I56	128	4.5%	9,769,000.51	1.5%
C24	32	1.1%	8,421,253.21	1.3%
G45	72	2.5%	8,370,374.44	1.3%
C17	7	0.2%	6,068,147.75	0.9%
M70	18	0.6%	5,940,407.53	0.9%
C16	31	1.1%	5,771,209.89	0.9%
B8	4	0.1%	5,335,005.11	0.8%
C20	15	0.5%	5,282,277.03	0.8%
K66	40	1.4%	4,738,268.04	0.7%
E36	11	0.4%	4,109,173.74	0.6%
M71	20	0.7%	3,538,874.02	0.6%
H50	1	0.0%	3,315,995.35	0.5%
Q87	1	0.0%	3,057,170.82	0.5%
C14	8	0.3%	2,985,206.42	0.5%
N82	13	0.5%	2,954,105.18	0.5%
C11	4	0.1%	2,653,797.47	0.4%
C18	19	0.7%	2,554,276.11	0.4%
C29	7	0.2%	2,496,685.10	0.4%
C19	2	0.1%	2,412,665.00	0.4%
F42	11	0.4%	2,387,287.04	0.4%
R96	44	1.5%	2,341,439.93	0.4%
M69	28	1.0%	2,325,834.29	0.4%
J60	6	0.2%	2,308,061.25	0.4%
H52	6	0.2%	2,243,054.29	0.3%
R90	7	0.2%	2,164,565.11	0.3%
C22	15	0.5%	2,038,802.83	0.3%
Q86	19	0.7%	1,975,959.01	0.3%
C33	12	0.4%	1,887,303.32	0.3%
C26	6	0.2%	1,546,497.57	0.2%
J63	7	0.2%	1,435,510.66	0.2%
C13	9	0.3%	1,424,179.03	0.2%
C32	7	0.2%	1,263,919.81	0.2%
K64	9	0.3%	1,228,148.94	0.2%
R93	7	0.2%	1,177,860.12	0.2%
N81	7	0.2%	1,110,718.87	0.2%
A2	7	0.2%	1,010,920.69	0.2%
C30	6	0.2%	907,771.15	0.1%
N79	8	0.3%	828,525.98	0.1%
C27	9	0.3%	817,999.53	0.1%
M74	12	0.4%	699,449.96	0.1%
N77	13	0.5%	690,256.67	0.1%
S96	7	0.2%	689,817.38	0.1%
Q88	4	0.1%	685,318.07	0.1%
Other*	46	1.6%	3,490,107.41	0.5%
TOTAL	**2,875**	**100.0%**	**642,633,738.48**	**100.0%**

* Sectors with current balance individually of less than 0.1% of the total portfolio current balance

Breakdown by SAE code

SAE	Number of Loans	%	Current Balance	%
256	2	0.1%	505,465.34	0.1%
259	3	0.1%	234,119.70	0.04%
280	10	0.3%	639,744.88	0.1%
430	935	32.5%	362,237,855.62	56.4%
431	6	0.2%	4,136,197.92	0.6%
450	2	0.1%	578,447.20	0.1%
481	6	0.2%	1,040,903.21	0.2%
482	274	9.5%	28,697,589.13	4.5%
490	21	0.7%	5,330,324.80	0.8%
491	28	1.0%	9,272,341.55	1.4%
492	470	16.3%	72,627,719.66	11.3%
614	222	7.7%	13,454,805.01	2.1%
615	896	31.2%	143,878,224.46	22.4%
TOTAL	**2875**	**100.0%**	**642,633,738.48**	**100.0%**

Breakdown by origination date

	Number of Loans	%	Current Balance	%
2001	22	0.8%	3,763,456.26	0.6%
2002	30	1.0%	5,121,655.59	0.8%
2003	67	2.3%	10,748,219.60	1.7%
2004	96	3.3%	18,010,313.06	2.8%
2005	100	3.5%	21,682,010.14	3.4%
2006	131	4.6%	34,058,342.22	5.3%
2007	169	5.9%	48,914,033.54	7.6%
2008	233	8.1%	64,163,583.40	10.0%
2009	415	14.4%	115,209,264.20	17.9%
2010	473	16.5%	115,569,322.67	18.0%
2011	579	20.1%	121,945,409.59	19.0%
2012	499	17.4%	79,182,334.38	12.3%
2013	61	2.1%	4,265,793.83	0.7%
TOTAL	**2,875**	**100.0%**	**642,633,738.48**	**100.0%**

Breakdown by Maturity date

	Number of Loans	%	Current Balance	%
2013	86	3.0%	15.262.813,03	2.4%
2014	224	7.8%	17.964.340,85	2.8%
2015	259	9.0%	25.650.645,84	4.0%
2016	301	10.5%	35.158.770,20	5.5%
2017	339	11.8%	40.321.386,16	6.3%
2018	154	5.4%	30.428.305,24	4.7%
2019	154	5.4%	47.622.421,97	7.4%
2020	154	5.4%	36.661.637,34	5.7%
2021	167	5.8%	46.698.094,43	7.3%
2022	151	5.3%	46.307.841,70	7.2%
2023	90	3.1%	35.679.569,72	5.6%
2024	122	4.2%	39.239.768,61	6.1%
2025	133	4.6%	37.088.072,63	5.8%
2026	138	4.8%	46.480.515,95	7.2%
2027	85	3.0%	26.449.136,43	4.1%
2028	34	1.2%	9.430.316,80	1.5%
2029	52	1.8%	15.580.759,48	2.4%
2030	55	1.9%	16.763.876,01	2.6%
2031	60	2.1%	29.174.129,38	4.5%
2032	36	1.3%	11.554.218,69	1.8%
2033	15	0.5%	6.918.611,42	1.1%
2034	13	0.5%	3.413.041,62	0.5%
2035	18	0.6%	8.192.423,06	1.3%
2036	20	0.7%	3.679.050,19	0.6%
2037	9	0.3%	4.156.060,56	0.6%
2038	6	0.2%	6.757.931,17	1.1%
TOTAL	**2,875**	**100.0%**	**642.633.738,48**	**100.0%**

Breakdown by size of the loan

	Number of Loans	%	Current Balance	%
0<X=<50.000	930	32.35%	24,844,611.67	3.87%
50,000<X=<100,000	662	23.03%	47,702,648.79	7.42%
100,000<X=<250,000	702	24.42%	110,675,967.01	17.22%
250,000<X=<500,000	293	10.19%	102,660,075.89	15.97%
500,000<X=<1,000,000	158	5.50%	112,302,462.33	17.48%
X>1,000,000	130	4.52%	244,447,972.79	38.04%
TOTAL	**2,875**	**100.00%**	**642,633,738.48**	**100.0%**

Top Borrowers

	Current Balance	%	Average Current Balance
Top Borrower	5,191,675.71	0.81%	-
Top 5	24,599,203.49	3.83%	4,919,840.70
Top 10	44,946,418.06	6.99%	4,494,641.81
Top 20	75,510,463.40	11.75%	3,775,523.17
TOTAL PORTFOLIO	**64,.633,738.48**	**100.00%**	

THE ORIGINATORS

BANCA CASSA DI RISPARMIO DI SAVIGLIANO

Historical Background and Description of Cassa di Risparmio di Savigliano S.p.A. ("Banca CR Savigliano")

Banca CR Savigliano was originally established in 1859 as "Cassa di Risparmio di Savigliano". Over the years the bank has always supported the local economy and was transformed into a *societa' per azioni* in 1991.

Banca CR Savigliano operates in the Piedmont region, in the provinces of Cuneo and Torino.

The bank is a local bank which is very close to the communities where it operates and it provides traditional banking services mainly to individuals and small and medium sized companies in its area of activity through 25 branches in the provinces of Cuneo and Torino.

Ownership and Share Capital

As of FYE 2012 the share capital of the bank is owned by the Fondazione Cassa di Risparmio di Savigliano (69%) and by Banca Popolare Emilia Romagna (31%).

As of 31 December 2012 the share capital of Banca CR Savigliano was equal to Euro 23,982,400.

Management and Board of Directors

Banca CR Savigliano is managed by a Board of Directors which is formed by a minimum of nine and a maximum of thirteen members, depending on the decisions of the General Meeting (currently there are twelve board members).

The Board of Directors has the power to appoint an Executive Committee, formed by up to six member. The Executive Committee includes the Chairman of the Board of Directors, who chairs the Committee, the Deputy Chairman and, if appointed, the Chief Executive Officer.

The members of the Board of Directors and of the Executive Committee as of 31 December 2012 were:

Name	Role within Banca CR Savigliano
Giovanni Baretta*	Chairman
Bruno Rivarossa*	Deputy Chairman
Giuseppe Allocco*	Director
Tommaso Abrate*	Director
Luca Crosetto*	Director
Renato Lanzetti*	Director
Matteo Ambroggio	Director
Sergio Corbello	Director
Mauro Gola	Director
Elena Lorenzato	Director
Giuseppe Tardivo	Director
Giulio Castangnoli	Director
Franco Poponcini	Director

* members of the Executive Committee

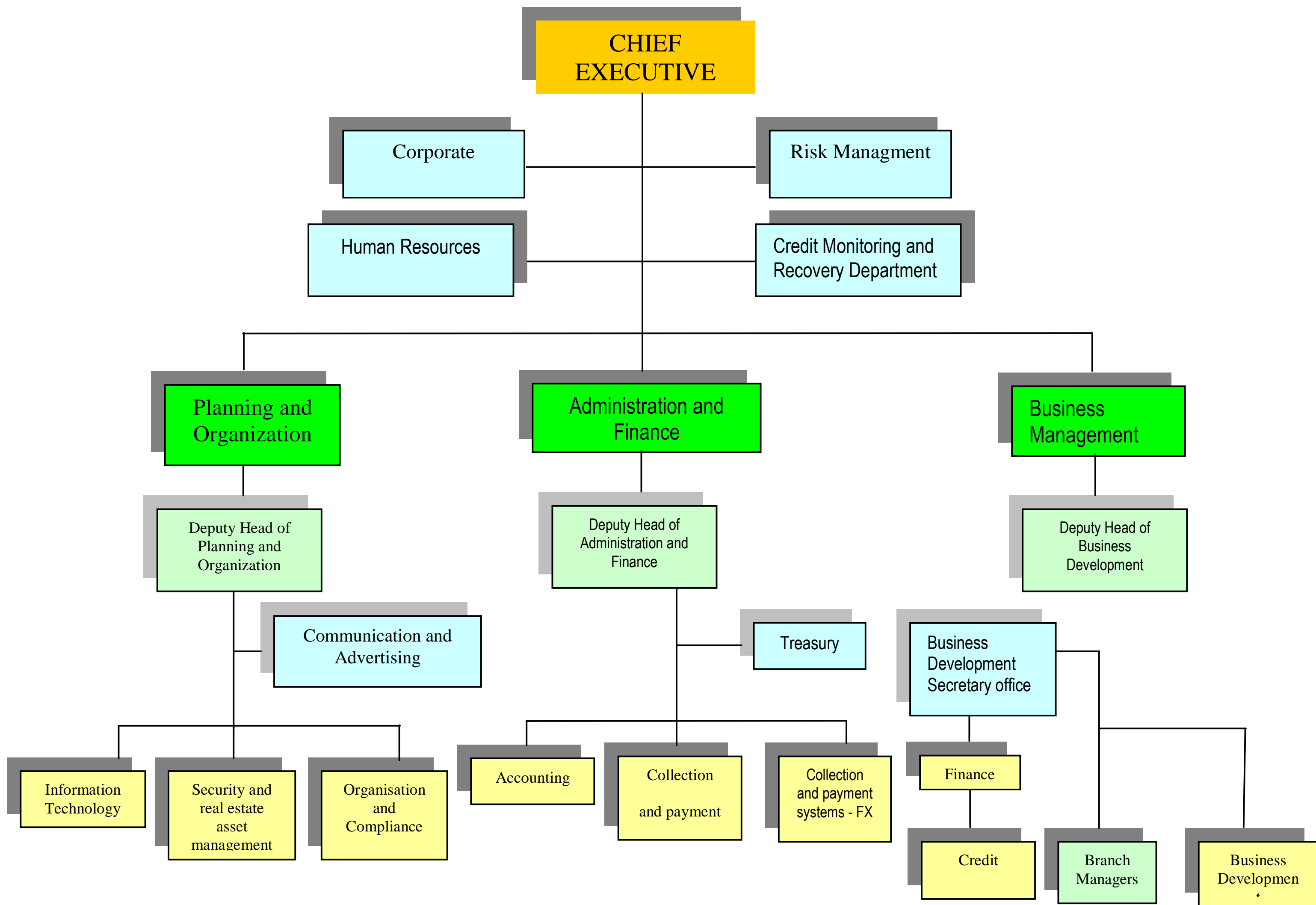
The Board of Statutory Auditors includes three Statutory Auditors, whom are appointed by the General Meeting.

The table below outlines the members of the Board of Statutory Auditors as of 31.12.2012:

Name	**Role within Banca CR Savigliano**
Franco Poponcini	Chairman of the Board of Statutory Auditors
Lorenza Cigna	Standing Auditor
Antonella Barge	Standing Auditor
Edi Montino	Alternate Auditor
Matteo Tiezzi	Alternate Auditor

The Chief Executive Officer is Mr. Giuseppe Allocco.

The organization chart of the Bank as of 31.12.2012 is included in the following page.


CHIEF EXECUTIVE
Corporate
Risk Managment
Human Resources
Credit Monitoring and Recovery Department
Planning and Organization
Administration and Finance
Business Management
Deputy Head of Planning and Organization
Deputy Head of Administration and Finance
Deputy Head of Business Development
Communication and Advertising
Treasury
Business Development Secretary office
Information Technology
Security and real estate asset management
Organisation and Compliance
Accounting
Collection and payment
Collection and payment systems - FX
Finance
Credit
Branch Managers
Business Developmen

As of 31.12.2012 Banca CR Savigliano had 190 employees compared to 187 at the end of the previous year.

Financial Highlights

The following tables set out key financial highlights in relation to the years 2010 to 2012 (all figures in Eur / ‘000).

	2010	2011	2012
Loans to customers	781,267	834,837	872,572
Deposits from customers	891,213	942,576	972,325
Customers’ managed and administered fund	528,437	501,453	503,210

Profit & Loss

	2010	2011	2012
Interest Margin	19,141	23,409	20,433
Net Intermediation Margin	23,814	24,288	22,933
Operating Costs	-18,981	-19,508	-19,869
Earnings before Tax	4,872	5,305	3,248
Net Profit	2,649	2,871	1,951

Net Worth and Regulatory capital indicators

	2010	2011	2012
Base Net Worth	60,429	62,619	63,320
Regulatory Capital	82,681	82,240	85,604
Net Worth / Loans to customers	8.53%	7.38%	8.08%
Tier I capital ratio	8.10%	7.52%	7.54%
Total capital ratio	11.27%	10.47%	10.39%

The information contained herein relates to Banca CR Savigliano 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 Banca CR Savigliano, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BANCA CASSA DI RISPARMIO DI SALUZZO

Historical Background and Description of Cassa di Risparmio di Saluzzo S.p.A. ("CR Saluzzo")

CR Saluzzo was incorporated in 1901, changed its legal form to a *società per azioni* in 1991. In 2006 Banca Popolare dell'Emilia Romagna Società Cooperativa and Cassa di Risparmio di Ravenna acquired a shareholding in CR Saluzzo.

The bank is a local bank which is very close to the communities where it operates and it provides traditional banking services mainly to individuals and small and medium sized companies in its area of activity through 27 branches in the provinces of Cuneo (20) and Torino (7).

Ownership and Share Capital

As of FYE 2012 the share capital of the bank is owned by the Fondazione Cassa di Risparmio di Saluzzo (66.98%), by Banca Popolare dell'Emilia Romagna Società Cooperativa (31,02%) and by Argentario Spa - Cassa di Risparmio di Ravenna Group – (2%).

As of 31 December 2012 the share capital of Banca CR Saluzzo was equal to Euro 33,280,000.

Management and Board of Directors

CR Saluzzo is managed by a Board of Directors which is formed by a minimum of eleven and a maximum of fourteen members, depending on the decisions of the General Meeting.

The Board of Directors has the power to appoint an Executive Committee, formed by a minimum of five and a maximum of seven members. The Executive Committee includes the Chairman of the Board of Directors, who chairs the Committee, and the Deputy Chairman.

The members of the Board of Directors and of the Executive Committee as of 31 December 2012 were:

Name	**Role**
Andreis Geom. Giovanni	Chairman *
Savio Dott. Comm. Giuseppe	Deputy Chairman *
Anelli Prof. Sergio	Director
Astesana Rag. Cesare	Director
Bergesio Rag. Giorgio Maria	Director*
Borri Dott. Antonio Agostino	Director *
Costa Cav. Celestino	Director
Danielis Dott. Danilo	Director
De Filippi Dott. Giuseppe	Director

Lovera Geom. Franco	Director *
Morgillo p.i. Maurizio	Director
Pautassi Geom. Mario	Director *
Quaglia Geom. Michele	Director
Sacco Prof. Raimondo	Director

* members of the Executive Committee

The Board of Statutory Auditors includes three Statutory Auditors, whom are appointed by the General Meeting.

The table below outlines the members of the Board of Statutory Auditors as of 31.12.2012:

Name	**Role**
Mariotta Dott. Armando	Chairman of the Board of Statutory Auditors
Peirone Avv. Chiaffredo	Standing Auditor
Ribotta Rag. Francesco	Standing Auditor
Caviglioli Dott. Marco	Alternate Auditor
Broardo Dott. Luca	Alternate Auditor

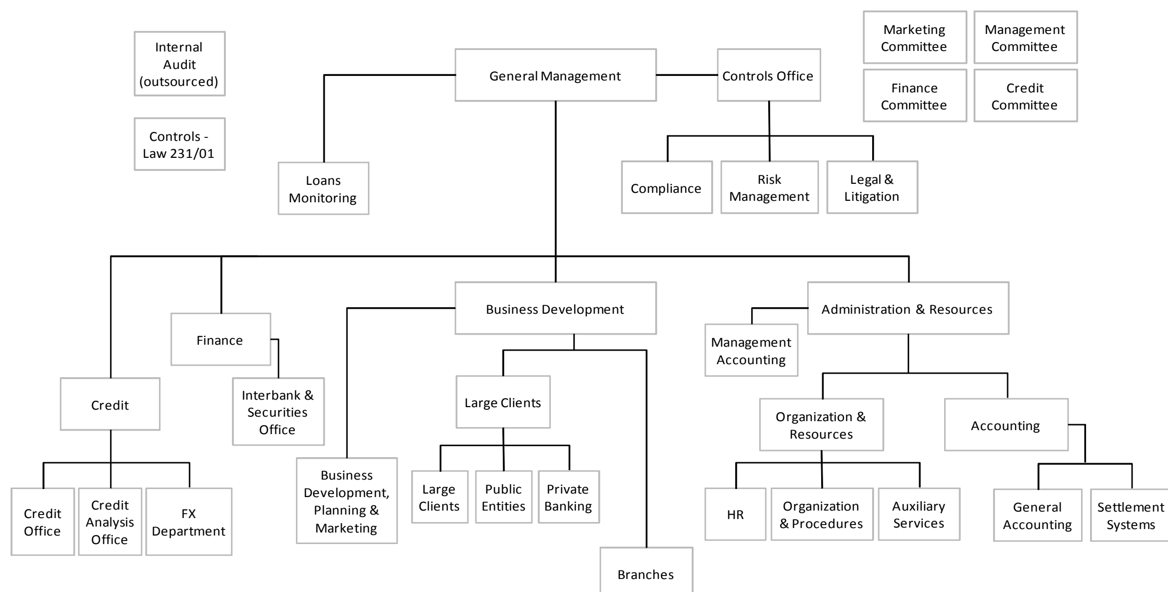
The *Direzione Generale* is formed by the following managers:

Name	**Role**
Pavlin Dott. Mario	General Manager
Ferrato Rag. Vanda	Deputy General Manager

The General Manager is head of the Human Resources department and oversees the whole organizational structure of the bank and ensures the implementation of the bank’s strategic and operating objectives established by the Board of Directors.

At present the Deputy General Manager is head of the Administration and Resources department.

The organization chart of the Bank as of 31.12.2012:



As of 31.12.2012 CR Saluzzo had 205 employees.

Financial Highlights

The following tables set out key financial highlights in relation to the years 2010 to 2012 (all figures in Eur / ‘000).

	2010	2011	2012
Loans to customers	783,139	799,398	773,459
Deposits from customers	835,549	877,028	902,088
Customers’ managed and administered funds	606,949	596,703	533,362

Profit & Loss

	2010	2011	2012
Interest Margin	19,961	22,828	19,877
Net Intermediation Margin	28,242	30,706	30,887
Operating Costs	-19,753	-20,681	-20,226
Earnings before Tax	5,651	4,841	3,716
Net Profit	3,220	2,069	2,320

Net Worth and Regulatory capital indicators

	2010	2011	2012
Base Capital (Tier 1)	71,511	69,482	72,767

Regulatory Capital	75,731	93,663	96,987
Customer Loans / Customer Deposits	93.73%	91.15%	85.74%
Tier I capital ratio	10.19%	9.48%	10.19%
Total capital ratio	10.79%	12.79%	13.58%

The information contained herein relates to CR Saluzzo 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 CR Saluzzo, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.

General

Banca Mediocredito del Friuli Venezia Giulia S.p.A. (the "**Originator**") is validly incorporated and existing as a company limited by shares (*Società per Azioni*) under the laws of the Republic of Italy and, according to Article 3 of its by-laws, its duration is defined until 31 December 2050.

The Originator's registered office and headquarters is at Via Aquileia 1, 33100 Udine, Italy, and the telephone number at the registered office is +39 0432.245511. The Originator is registered with the Companies Register of Udine under number 00269390308 and is also enrolled in the Banks Registry kept by the Bank of Italy under number 10640.1.

The Originator's corporate purpose is banking activity and, particularly, medium to long-term lending in Italy and abroad to any kind of borrower and for any purpose. In accordance with applicable regulations, the Originator may also purchase holdings in Italian and foreign companies or entities, also for the purposes of the subsequent disposal. The Originator may carry out activities as agent on behalf of the Region Friuli-Venezia Giulia and hold the amounts deposited by it on special accounts as necessary to carry out the mandate. Within the limits provided by regulations in force, the Originator may execute any other auxiliary or connected activity as well as the helpful activities for the purpose of achieving its objects.

The Originator is not the parent company of, and does not belong to, any banking group.

History

The Originator was incorporated on 31 July 1957, by Law No. 742 of 31 July 1957, under the corporate name of "*Istituto di credito per il finanziamento a medio termine alle piccole e medie industrie situate nella Provincia di Udine*" (i.e. credit institution specialised in the medium-term financing to small and medium industrial enterprises located in the province of Udine).

The limits imposed upon medium-term credit institutions were mitigated as a result of various amendments to the regulatory framework. The main amendments concerned the possibility for the Originator to finance – also on a long-term basis – other kind of enterprises including those in handicraft, commerce, transport and services sectors (Law No. 730 of 27 December 1983), as well as the possibility to operate outside the territorial area and also in favour of large companies in case of pool operations (Law No. 67 of 11 March 1988). Moreover, Law No. 218 of 30 July 1990 (known as the "**Amato Law**") and Legislative Decree No. 356 of 20 November 1990 extended the Originator's operations to individuals and large companies, also allowing the Originator to operate without any geographical limit.

On 24 December 1992, pursuant to the Amato Law, the Originator became a private company limited by shares – under the corporate name "*Mediocredito del Friuli-Venezia Giulia S.p.A*" – incorporated, regulated and operating under the Italian law.

Further to the Consolidated Banking Law, the Originator expanded its operations also to land and short-term credit.

Since the merger at the end of 1994 with its own leasing company (*Medioleasing Friuli-Venezia Giulia S.p.A.*), the Originator also operates in the leasing sector.

Nevertheless, the Originator's main area of activity has remained the medium-term financing of enterprises' investments and the Originator plays a significant role in supporting enterprises also by

granting loans with those public funds provided by the "*Fondo di rotazione per iniziative economiche*", the "*Fondo di rotazione a favore delle imprese artigiane del Friuli Venezia Giulia*" and the "*Fondo speciale di rotazione a favore delle imprese commerciali, turistiche e di servizio del Friuli Venezia Giulia*", as well as providing services within the facilitated interventions' initiatives promoted by local or central authorities.

Further to the acquisition of and merger with Finanziaria Regionale Friuli-Venezia Giulia Locazioni Industriali di Sviluppo Società per Azioni – Friulia-Lis S.p.A. in 2008, the Originator has strengthened its operations in the real estate leasing sector.

In June 2009, the Originator's corporate name was changed to "*Banca Mediocredito del Friuli Venezia Giulia S.p.A.*".

As described in detail in the subsequent section "*Recent Developments*", during the last quarter of 2011 and the first quarter of 2012, the Originator share capital was increased for an amount equal to Euro 13,389,541.00, as a result of a paid share capital increase reserved to the shareholders.

Share Capital

The Originator's authorised share capital as at 31 December 2012 was Euro 82,392,021.00, represented by 82,392,021 ordinary shares with a par value of Euro 1 each. All shares have been issued and are fully paid up.

Main Shareholders

The following table sets out the shareholders which own more than 2 percent of the share capital of the Originator as of 31 December 2012.

Shareholder	Number of shares	Percentage
Finanziaria MC S.p.A	42,396,255	51.46%
Fondazione Cassa di Risparmio di Trieste............................	26,477,647	32.14%
Finanziaria BCC Sviluppo Territorio S.r.l.	3,450,122	4.19%
Banca Popolare Friuladria S.p.A..	3,325,637	4.04%
Banca di Cividale S.p.A..	2,110,299	2.56%

As Regione Autonoma Friuli Venezia Giulia holds, directly or through its shareholding in Friulia S.p.A., a majority stake in Finanziaria MC S.p.A., pursuant to article 2359 of the Italian Civil Code, Regione Autonoma Friuli Venezia Giulia exercises a control over the Originator, since it is indirectly provided with the majority of the voting rights exercisable at the ordinary shareholders' meeting.

The Originator is subject to extensive regulation and supervision by the Bank of Italy. The regulatory framework governing the Originator's activities is designed to maintain the sound and prudent management of the Originator and, inter alia, limit its exposure to risk. Abuses of control by the shareholders of the Originator would in most circumstances result in breaches of Italian banking laws and regulations and, in case of serious irregularity, might cause the submission of the Originator to any of the procedures set forth in Title IV, Chapter I of the Banking Act (including "*liquidazione coatta amministrativa*", "*amministrazione straordinaria*" and "*gestione provvisoria*").

Management

The management of the Originator comprises the Board of Directors, the Executive Committee, the General Manager, the Deputy General Managers and the Board of Statutory Auditors (*Collegio Sindacale*).

Board of Directors and Executive Committee

Pursuant to Article 12 of the Originator's by-laws, the Board of Directors comprises 12 members appointed by the shareholders' meeting for a three year period. At least three Directors must meet the independence requirements set forth by Article 13 of the Originator's by-laws. Directors can be re-elected and may also be removed provided that certain legal requirements are complied with. The Board of Directors appoints the Chairman and the Deputy Chairman.

The Board of Directors is vested with all powers for the ordinary and extraordinary administration except those which are expressly reserved to the exclusive authority of the shareholders' meeting by Italian law.

Board meetings take normally place at the registered office of the Originator and are convened by the Chairman. The Board of Directors normally meets once a month. An extraordinary meeting may be convened upon request of at least three members of the Board of Directors together with the Board of Statutory Auditors and whenever necessary. The participation of the majority of the Directors is required for the Board meetings to be validly held. Resolutions are carried by a clear majority of the votes, excluding any abstentions. In the event of parity, the Chairman shall have the casting vote.

The current Board of Directors of the Originator is composed of 12 members and was appointed in accordance with the previous wording of Article 12 of the Originator's by-laws. Its mandate will expire with the approval of the Originator's financial statements for the financial year ending the 31 December 2013.

As provided by Article 17 of the Originator's by-laws, an Executive Committee has been appointed by the Board of Directors. Members of the Executive Committee are the Chairman, the Deputy Chairman, and three Directors. The Executive Committee normally meets twice a month and is vested with the functions and powers delegated by the Board of Directors.

The Directors are domiciled for the purpose of their office at the Originator's registered office.

The current members of the Board of Directors and their principal position held outside of the Originator are summarised in the following table:

Name	Position	Principal positions held outside of the Originator
Massimo Paniccia	Chairman Member of the Executive Committee	Chairman and Managing Director of Solari di Udine S.p.A. Chairman of ACEGAS-APS S.p.A. Chairman of Fondazione CR Trieste Director of Poligrafici Editoriali S.p.A. Deputy Chairman of CONFAPI (Confederazione Italiana per la Piccola e Media Industria)
Massimiliano Marzin	Deputy Chairman Member of the Executive Committee	-
Matteo Brovedani	Director	-
Pietro Martini	Director	Statutory Auditor of Friulia S.p.A.
Giovanni Da Pozzo	Director	Chairman of Assoconfidi Italia Chairman of Camera di Commercio di Udine Chairman of Finpromoter Roma Member of the Executive Committee of Unioncamere
Diego Frattarolo	Director Member of the Executive Committee	-
Giorgio Minute	Director Member of the Executive Committee	Manager of Federazione delle Banche di credito cooperativo del Friuli Venezia Giulia
Giovanni Borgna	Director	Director of ACEGAS-SPS S.p.A.
Sergio Pacor	Director	-
Renzo Piccini	Director	Deputy Chairman of Fondazione CR Trieste
Giovanni Battista Ravidà	Director Member of the Executive Committee	-
Giorgio Tomasetti	Director	Director of Fondazione CR Trieste

General Manager and Deputy General Managers

Pursuant to Article 22 of the Originator's by-laws, the Board of Directors appoints a General Manager who supervises the management of the Originator, is the chief of the personnel and coordinates the Originator's day-by-day operations.

The General Manager, either when unable to serve his office or whenever necessary, is replaced by the Deputy General Manager.

As of 1 February 2012, the former General Manager of the Originator, Mr. Gerardo Ruggiero, went into retirement.

Therefore, on 25 January 2012, the Board of Directors of the Originator resolved to temporarily entrust, as of 1 February 2012, the Deputy General Manager, Mr. Narciso Gaspardo, with all the powers and task of the General Manager, until the appointment of a new General Manager.

On 31 August 2011, the Board of Directors of the Originator appointed Mr. Claudio Trombin as Deputy General Manager.

The Directors are domiciled for the purpose of their office at the Originator's registered office.

Name	Position	Principal positions held outside of the Originator
Narciso Gaspardo	Deputy General Manager (acting as General Manager)	Statutory Auditor of Seven S.I.M. S.p.A.
Claudio Trombin	Deputy General Manager	

Board of Statutory Auditors

Under the Italian law and pursuant to Article 20 of the Originator's by-laws, the ordinary shareholders' meeting appoints a Board of Statutory Auditors (*Collegio sindacale*) composed of three independent Statutory Auditors. The shareholders also appoint two alternate Statutory Auditors. The shareholders' meeting also appoints the Chairman of the Board.

The current Originator's Board of Statutory Auditors was appointed on 11 June 2011. Its mandate will expire with the approval of the Originator's financial statements for the financial year ending the 31 December 2013.

Statutory Auditors are domiciled for the purpose of their office at the Originator's registered office.

The current Statutory Auditors and their principal position held outside of the Originator are summarised in the following table:

Name	Position	Principal positions held outside of the Originator
Micaela Sette	Chairman	-
Ruggero Baggio	Statutory Auditor	Statutory Auditor of Fantoni Blu S.p.A. Statutory Auditor of I.G.F. S.p.A. Auditor of CIPAF – Consorzio Industriale per lo Sviluppo dell'Alto Friuli
Fulvio Degrassi	Statutory Auditor	Chairman of the Board of Statutory Auditors of Estenergy S.p.A.

Name	Position	Principal positions held outside of the Originator
		Chairman of the Board of Statutory Auditors of Energia Pulita S.p.A. Statutory Auditor of Armamento Setramar S.p.A. Statutory Auditor of Adriacoke S.p.A.
Alessandro Baucero	Alternate Statutory Auditor	-
Mario Giamporcaro	Alternate Statutory Auditor	Managing Director of Gestione immobili FVG S.p.A. Statutory Auditor of AMT Trasporti S.p.A. Statutory Auditor of Autovie Venete S.p.A. Statutory Auditor of Fondazione CR Trieste

Independent Auditors

The Originator's financial statements are audited by independent external auditors appointed, pursuant to Article 13 of Legislative Decree No. 39 of 27 January 2010, by means of a resolution of the ordinary shareholders' meeting upon reasoned proposal of the Board of Statutory Auditors.

After being appointed, on 27 April 2007, for the three year period 2007-2009, Deloitte & Touche S.p.A., with registered office in Milan, Via Tortona 25, has been appointed again on 28 April 2010 as external auditor of the Originator for the six year period 2010-2015.

Deloitte and Touche S.p.A. is registered under No. 14.182 in the Special Register (*Albo Speciale*) held by Commissione Nazionale per le Società e la Borsa (CONSOB) pursuant to Article 161 of Legislative Decree No. 58 dated 24 February 1998, as amended, and under No. 132.587 in the Register of Accountant Auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of Legislative Decree No. 88 of 27 January 1992.

Employees

As at 31 December 2012, the Originator employed 83 people.

The following table set out the number of employees per category of the Originator as of 31 December 2012.

Executive	3
Management	40
of which 3rd and 4th level	22
other employees	40
Total employees	83

BUSINESS OF THE ORIGINATOR

General

The Originator is based in the city of Udine and is a bank specializing in medium and long-term lending to small and medium-sized enterprises. The Originator mainly operates in the prosperous region of Friuli-Venezia Giulia and in the neighboring region of Veneto, located in the north-east Italy. The Originator has offices located in the cities of Pordenone and Trieste and also has premises located in the city of Conegliano (Treviso). Management believes that the Originator’s offices throughout the north-east Italy adequately cover the areas where the Originator operates and allow the Originator to maintain relationships both with clients and with other banks which management regards as being useful to boost credit demand.

Areas of activity

The Originator’s core business is focused on medium and long-term lending to small and medium-sized enterprises. As a result of the changes to the Italian banking system in the early 1990s, the Originator expanded its activities to short-term lending as well as to land credit. Moreover, further to the merger of the company Medioleasing Friuli-Venezia Giulia S.p.A. in late 1994, the Originator also expanded its operations to leasing, although the core business has remained ordinary lending to enterprises.

The Originator’s lending activity is also carried out with public resources contributed by Regione Autonoma Friuli Venezia Giulia in the following funds, which have been incorporated for the purposes of promoting and supporting entrepreneurial activities:

- *Fondo di rotazione per iniziative economiche* (i.e. revolving fund for economic initiatives), pursuant to Law No. 908 of 18 October 1955;
- *Fondo di rotazione a favore delle imprese artigiane del Friuli Venezia Giulia* (i.e. revolving fund for craftsmen enterprises operating in Friuli Venezia Giulia) pursuant to section No. 45 of the regional Law No.12 of 22 April 2002; and
- *Fondo speciale di rotazione a favore delle imprese commerciali, turistiche e di servizio del Friuli Venezia Giulia* (i.e. special revolving fund for the commercial, touristic and services enterprises operating in Friuli Venezia Giulia), pursuant to section No. 89 of the regional Law No. 29 of 5 December 2005.

The Originator also provides a wide range of services to public entities, banks, enterprises and individuals within facilitated loans initiatives promoted by local or central authorities. The following table shows the breakdown of the loan portfolio by lending type as at 31 December 2012:

	Amount (€ .000)	**Percentage**
Lending	1,135,005	46.63%
Lending involving public funds*	878,354	36.08%
Leasing	420,842	17.29%
TOTAL	2,434,201	100.00%

* Originator's risk share equal to 173,695(€ .000).

Lending

The Originator's lending activity is primarily focused on north-east Italy and is carried out by means of:

- mortgages and other medium and long-term facilities;
- short-term facilities;
- discount of notes;
- leasing operations; and
- endorsement credit – guarantees.

The main part of the activity consists of granting mortgages and medium and long-term facilities for the purpose of co-financing the execution of investments. The facilities are ordinarily granted by the Originator against appropriate securities or guarantees.

The leasing activity of the Originator is primarily focused on real estate leasing transactions. Such activity is performed by the same commercial functions involved for the other kinds of financing. The following table shows the breakdown of the loan portfolio by loan type as at 31 December 2012 and 2011:

	31/12/2012	**31/12/2011**
	(thousands of Euro)	
Loans	1,128,598	1,157,264
Discounts	6,407	14,328
Leasing operations	420,842	473,032
Other	878,354	868,474
TOTAL	**2,434,201**	**2,513,098**

FINANCIAL STATEMENTS

The tables in the following pages summarize Mediocredito's financial statements as at 31 December 2012, compared to the financial statements as at 31 December 2011:

Assets (amounts in €,000)

	31/12/2012	**31/12/2011**	Absolute terms	**%**
Cash and cash equivalents	4	8	-4	-50.00
Financial assets held for trading......................	49384	71139	-21755	-31
Financial assets available for sale	73411	64631	8780	14
Financial assets held to maturity.....................	296691	210779	85912	41.00
Due from banks..	254036	269908	-15872	-6.00
Due from customers.......................................	1643894	1786069	-142175	-8.00
Hedging derivatives	14252	14700	-448	-3.00
Tangible and Intangible assets	25635	18187	7448	41.00
Other assets	44483	19253	25230	131.00
TOTAL	**2401790**	**2454674**	**65363**	**3.00**

Liabilities and Net equity (amounts in €.000)

	31/12/2012	**31/12/2011**	Absolute terms	**%**
Due to banks	629867	648513	-18646	-2.88
Due to customers	687473	618100	69373	11.22
Outstanding securities	725857	948448	-222591	-23.47
Financial liabilities held for trading	1264	2260	-996	-44.07
Hedging derivatives	0	24	-24	-100.00
Tax liabilities	7615	6110	1505	24.63
Other liabilities	118718	21313	97405	457.02
Provision for employee severance pay	1048	1419	-371	-26.15
Fund for risks and changes	164	47	117	248.94
Valuation reserves	4062	741	3321	448.18
Reserves	86037	97367	-11330	-11.64
Share premium reserve	64458	39687	24771	62.42
Capital	82392	69002	13390	19.41
Net income	-7165	1643	-8808	-536.09
TOTAL LIABILITIES AND NET EQUITY...	**2401790**	**2454674**	**-52884**	**-3.00**

Income statement (amounts in €,000)

	31/12/2012	31/12/2011	Absolute terms	%
Interest margin	29625	24985	4640	18.57
Dividends	0	0	0	0
Net commissions	6514	8242	-1728	-20.97
	3967	-1569	5536	352.84
	50	53	-3	-5,66
	1025	1965	-940	-47,84
	41181	33676	7505	22.29
	-8430	-8372	58.1	0.69
	-6098	-5472	626	11.44
	-410	-513	-103	-20.08
	-14938	-14357	581	4,05
	26243	19319	6924	35.84
	-32936	-14047	18889	134.47
	0	0	0	0
	-1069	-257	812	315.95
	0	0	0	0
	-7762	5015	-12.777	-25478
	597	-3372	3.969	11770
	-7165	**1643**	**-8808**	**-53609**

The information contained herein relates to Banca MCFVG 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 Banca MCFVG, no facts have been omitted which would render the reproduced information inaccurate or misleading.

COMPLIANCE WITH ARTICLE 122-*bis* 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 122-*bis* of the CRD or any permitted alternative method thereafter and provide adequate disclosure to the Noteholders in accordance with such Article 122-*bis* of the CRD.

For such purpose, each of the Originator 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 122-*bis* of the CRD and to give relevant information to the Noteholders 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 122-*bis* 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*", "*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 Investor's Report issued by the Computation Agent, which will (a) contain, *inter alia*, (i) statistics on prepayments, Arrear Claims, Defaulted Claims, Late Payments 60 Claims and Late Payments 90 Claims; (ii) details relating to repurchases of Claims by the Servicers pursuant to the terms of the Servicing Agreement, (iii) details (provided, where relevant by the Computation Agent) with respect to the Interest Rate, the Interest Amount, the Principal Amount Outstanding of the Notes, the principal payments on the Notes and other payments made by the Issuer (iv) information on the renegotiation transactions carried out by each Servicer pursuant to the Servicing Agreement, and (v) 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 Portfolio which have been transferred to the Issuer) maintained by the Originators in accordance with option (d) of Article 122-*bis* or any permitted alternative method thereafter; (b) be generally available to the Noteholders and prospective investors on the Computation Agent's web site on www.accountingpartners.it (for the avoidance of doubt, such website does not constitute part of this Prospectus);

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

   (iii) with reference to the further information which from time to time may be deemed necessary under Article 122-*bis* 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 122-*bis* of the CRD.

THE PRINCIPAL PAYING AGENT, THE LOCAL PAYING AGENT, THE ITALIAN ACCOUNT BANK, THE AGENT BANK, THE ENGLISH ACCOUNT BANK AND THE CASH MANAGER

(i) Citibank N.A., London Branch, and (ii) Citibank N.A., Milan Branch, shall act, respectively, as (i) Principal Paying Agent, Agent Bank, English Account Bank and Cash Manager and (ii) Local Paying Agent and Italian Account Bank pursuant to the Cash Administration and Agency Agreement.

THE PRINCIPAL PAYING AGENT, THE AGENT BANK, THE ENGLISH ACCOUNT BANK AND THE CASH MANAGER

Citibank N.A., London Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with company number FC001835 and branch number BR001018.

THE LOCAL PAYING AGENT AND THE ITALIAN ACCOUNT BANK

Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy.

The information contained in this paragraph relates to each of Citibank N.A., London Branch, and Citibank N.A., Milan Branch 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 Citibank N.A., London Branch and Citibank N.A., Milan Branch, 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 Citibank N.A., London Branch and Citibank N.A., Milan Branch 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 Agents may resign its appointment upon not less than 60 (sixty) days' notice to the Issuer (with a copy, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent and the Representative of the Noteholders) provided certain conditions are met; on the other hand, the Issuer may revoke the appointment of each of the Agents, subject to the prior written approval of the Representative of the Noteholders, by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders and the Security Trustee and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); *provided however that,* in any case, the revocation or the resignation 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 each of the Agents shall terminate (in accordance with article 1456 of the Italian civil code) or be revoked (as applicable under Italian law) upon receipt of a 10 (ten) Business Days

notice by the Issuer, subject to the Issuer receiving the prior written consent of the Representative of the Noteholders), if **(a)** such Agent becomes incapable of acting also in light of the provision of article 2, paragraph 6, of the Securitisation Law or in relation to the Italian Account Bank and the Local Paying Agent the banking license granted to them pursuant to article 15 of the Consolidated Banking Act has been withdrawn or suspended or in case of the English Account Bank and the Principal Paying Agent the relevant banking license granted to them has been withdrawn or suspended; 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 the winding-up of such Agent; or **(e)** any event occurs which has an analogous effect to any of the foregoing; or **(f)** with regard to (i) the English Account Bank and the Italian Account Bank and (ii) any successor of the Principal Paying Agent and the Local Paying Agent, it ceases to be an Eligible Institution; or **(g)** a just cause (*giusta causa*) occurs (including, among others, the circumstances that any withholding, or deduction for or on account of tax from any payments to be made by the Agent to the Issuer under the Transaction Documents is imposed (including for avoidance of doubt, in case of transfers of the funds between the Accounts), only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of the relevant Agent (including, without limitation, in the event that this is the consequence of the Issuer not being in the position to provide the information required by the relevant competent authority for the purpose of the FATCA Withholding Tax; and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Notes and/or the Securitisation)).

In the event that **(i)** each of Agents gives notice of its resignation in accordance with clause 13.1 of the Cash Administration and Agency Agreement, **(ii)** the Issuer revokes the appointment of each of the Agents in accordance with clauses 13.2 and 13.3 of the Cash Administration and Agency Agreement and **(iii)** by the tenth day before the expiry of such notice, a successor Agent has not been duly appointed in accordance with clause 13.4 of the Cash Administration and Agency Agreement, the resigning Agent may, following the consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, to appoint, in the name of the Issuer, as its successor any reputable and experienced financial institution, which, in the case of (A) the Italian Account Bank and the English Account Bank, and (B) any successor of the Principal Paying Agent and the Local Paying Agent, shall qualify as an Eligible Institution and shall give notice of such appointment to the Issuer, the Representative of the Noteholders and the remaining Agents, whereupon the Issuer, the remaining Agents and such Successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of the Cash Administration and Agency Agreement.

Pursuant to the Cash Administration and Agency Agreement:

(i) Citibank N.A., London Branch, in its quality of Principal Paying Agent has acknowledged and agreed that, upon any revocation, resignation or termination under clauses 13.1, 13.2 and 13.3 of the Cash Administration and Agency Agreement taking effect with respect to the English Account Bank, the Principal Paying Agent shall be automatically terminated, released and discharged from its obligations under the Transaction Documents (save for the obligations set out under clause 13.6 of the Cash Administration and Agency Agreement), provided however that such termination shall not take effect until a Successor being an Eligible Institution (selected by the Representative of the Noteholders) has been duly appointed by the Issuer.

(ii) Citibank N.A., Milan Branch, in its quality of Local Paying Agent has acknowledged and agreed that, upon any revocation, resignation or termination under clauses 13.1, 13.2 and 13.3 of the Cash Administration and Agency Agreement taking effect with respect to the Italian Account Bank, the Local Paying Agent shall be automatically terminated, released and discharged from its obligations under the Transaction Documents (save for the obligations set

out under clause 13.6 of the Cash Administration and Agency Agreement), provided however that such termination shall not take effect until a Successor being an Eligible Institution (selected by the Representative of the Noteholders) has been duly appointed by the Issuer.

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 AND THE BACK-UP SERVICER FACILITATOR

Accounting Partners S.r.l. ("**Accounting Partners**") is a company incorporated in Italy specialized in providing services in the securitisation sector, particularly in the accounting management of SPVs (Corporate Administrator) and various agency roles within securitisation transactions (Calculation Agent, Representative of Noteholders). Accounting Partners manages today more than 20 securitisation SPVs with portfolio across a wide range of asset classes (mortgage loans, consumer loans, leasing and trade receivables).

Accounting Partners also provides outsourced administrative, accounting and back office services to financial intermediaries both during the start-up phase and during later phases of their development. The firm registered offices are located in Corso Re Umberto, 8 and also operate through the office located at Via Statuto, 10 in Milan. Accounting Partners is a member firm of ASSOSIM.

The information contained herein relates to and has been obtained from Accounting Partners. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Accounting Partners, 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 Accounting Partners 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, Accounting Partners S.r.l., agrees to perform the obligations required to be performed by itself or the Issuer under Condition 5.1 (*Payment Dates and Interest Periods*), Condition 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*) and Condition 6.8 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement. In particular, the Computation Agent to the extent required under and as provided for in the Conditions and the Cash Administration and Agency Agreement:

on each Calculation Date, shall determine:

(a) the amount of the Issuer Available Funds, the Available Class A Notes Redemption Funds;

(b) the Principal Amount Outstanding of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on the Notes on that Payment Date);

(c) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Interest Amount;

(d) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Additional Interest Payment Amount;

(e) with respect to each Portfolio: (i) the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding, Single Portfolio Class A Notes Principal Payment Amount; (iii) the Single Series Available Class B Notes Redemption Funds;

(f) the amount of the Principal Amortisation Reserve Amount, the Detrimental Reserve Amount (if any) or the First Single Portfolio Detrimental Reserve Amount (if any) or the Second Single Portfolio Detrimental Reserve Amount (if any), the Target Additional Cash Reserve Amounts, the Target Cash Reserve Amounts, each Cash Reserve Amortisation Amount (if any), each Cash Reserve Excess and the amount of each Cash Reserve that shall be utilized to augment the

Issuer Available Funds and the Single Portfolio Available Funds; Any calculation in respect of the Cash Reserves shall be made by the Computation Agent in accordance with clause 14 of the Cash Administration and Agency Agreement;

(g) all payments due to be done by the Issuer on the immediately following Payment Date and, within the Payments Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Rating Agencies, the Back-Up Servicer Facilitator and the Irish Listing Agent a payments report setting out all such payments and the occurrence of any Cross Collateral Event; substantially in the form attached under schedule 1 of the Cash Administration and Agency Agreement (the "**Payments Report**"),

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds or the Issuer Available Funds (as the case may be) towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority, as the case may be as resulting from (i) the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, (ii) in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates. Each determination by or on behalf of the Issuer of any of the item above, the payment of principal on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of willful default, gross negligence, bad faith and manifest error) be final and binding on all persons.

on each Calculation Date, shall verify:

(a) whether a Disequilibrium Event provided for in Condition 4.2, a Detrimental Event provided for in Condition 4.3 or a First Single Portfolio Detrimental Event provided for in Condition 4.4 or a Second Single Portfolio Detrimental Event provided for in Condition 4.5 have occurred as at such Calculation Date;

(b) that on the following Payment Date and based on the calculations made by it the Trigger Event provided for in Condition 9.1(a)(ii) will not occur; and

(c) that none of the Cross Collateral Event provided for in Condition 10 (*Cross Collateral Events*) have occurred as at such Calculation Date;

(d) if the Cash Reserve Release Conditions are met;

furthermore, the Computation Agent shall *inter alia*:

(a) not later than each Calculation Date, notify the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Irish Listing Agent, the Representative of the Noteholders, the Security Trustee, the Servicers, the Corporate Services Provider, the Italian Account Bank, the English Account Bank, the Agent Bank, Monte Titoli (in any such way as might be required by Monte Titoli under its internal regulations or as is customary) and Euroclear, Clearstream and the Irish Stock Exchange of: **(i)** the amount of Issuer Available Funds or Single Portfolio Available Funds which shall be paid to the Principal Paying Agent on the relevant date for application to repay principal and interest under the Notes; **(ii)** the amount of interest with

respect to each Class of Notes to be paid on the immediately following Payment Date; **(iii)** the amount of any principal payment due to be made on each Class of Notes on the next following Payment Date; and **(iv)** the Principal Amount Outstanding with respect to each Class of Notes after deduction of the payments of principal to be made on the immediately following Payment Date, and publish them in accordance with Condition 13 (*Notices*);

(b) not later than each Investors Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Principal Paying Agent, the Local Paying Agent, the Rating Agencies, the Servicers and the Irish Listing Agent, an investors report (the "**Investors Report**") substantially in the form attached as schedule 4 of the Cash Administration and Agency Agreement which shall be based on the data contained in the Quarterly Servicing Report and which shall include the information described in clause 10.2(b)(i) of the Intercreditor Agreement; the Investors Report shall set forth the performance of the Portfolio and of the Notes and in particular will contain information, *inter alia*, on (i) the Issuer Available Funds (and their application) on the immediately preceding Payment Date, (ii) the principal amount outstanding on the Notes before and after the immediately preceding Payment Date and interest accrued and interest actually paid on the Notes in respect of the immediately preceding Payment Date, (iii) details on the collections and unpaid amounts on the Portfolio in the preceding Collection Periods and **(iv)** the occurrence of a First Single Portfolio Detrimental Event and/or a Second Single Portfolio Detrimental Event and/or a Disequilibrium Event and/or a Detrimental Event; each Investors Report will be also made available to the Noteholders, the Other Issuer Creditor and the Rating Agencies on a quarterly basis via the Computation Agent's internet website currently located at www.accountingpartners.it (for the avoidance of doubt, such website does not constitute part of this Prospectus). The Computation Agent's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon;

(c) maintain records of the calculation made by it and make such records available for inspection at all reasonable times by the Issuer, the Servicers, the Representative of the Noteholders and the Security Trustee.

Pursuant to clause 13 of the Cash Administration and Agency Agreement, on the one hand, the Computation Agent may resign its appointment upon not less than 60 (sixty) days' notice to the Issuer (with a copy to the Principal Paying Agent and the Representative of the Noteholders) provided that certain conditions are met; on the other hand, the Issuer may revoke the appointment of the Computation Agent by giving not less than 60 (sixty) days' notice to it (with a copy to the Representative of the Noteholders, the Security Trustee and to the Paying Agents); 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 if **(a)** the Computation Agent becomes incapable of acting as such also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or **(b)** the Computation Agent becomes unable to pay its debts as they fall due; or **(c)** the Computation 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 the winding-up of the Computation Agent; or **(e)** any event occurs which has an analogous effect to any of the foregoing; or **(f)** a cause (*giusta causa*) with respect to the Computation Agent occurs.

Under the Intercreditor Agreement, Accounting Partners has undertaken to act as Back-Up Servicer Facilitator in order (i) to cooperate with the Issuer in the selection of an entity to be appointed as External Back-Up Servicer or as successor back-up servicer and (ii) to cooperate with the Issuer for the appointment of such External Back-Up Servicer or successor back-up servicer in accordance with clause 9 of the Servicing Agreement.

COLLECTION POLICY AND RECOVERY PROCEDURES

BANCA CASSA DI RISPARMIO DI SAVIGLIANO S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Banca Cassa di Risparmio di Savigliano (Banca CR Savigliano).

1. LOANS WITH TIMELY PAYMENTS

Payment systems and collections monitoring

The loan management systems of Sistema Informativo Bancario allows to manage the loan amortisation plans according to different methods. Banca CR Savigliano utilises:

- Mainly the "french" amortisation system, with constant instalments (the principal instalments are determined on the basis of the interest rate at loan disbursement and unchanged for the duration of the loan, while the interest portion of the instalments varies depending on the changes of the applicable interest rate);
- Loans with fixed instalments and variable maturity;
- Loans with constant principal instalments (Finpiemonte)

The amortisation plan starts from the first day of the calendar month, quarter or semester following the disbursement date. Some loan agreements could have an interest-only period before the principal amortisation begins.

The instalments payment dates fall, except for "Artigiancassa" loans, on the last day of the month and can be monthly, bi-monthly, quarterly, semi-annual and annual, depending on the contractual agreements. The payment methods are substantially represented by:

- automatic debit on the debtors' current accounts opened with the bank's branches;
- for a marginal portion via direct debit.

Payment via automatic debit on an account with the bank

This is the standard payment method since almost all the loan agreement provide for payment via debit on a current account with the bank.

The IT management of the loans provides daily, during the day, before start of normal operations, to identify all the instalments falling due on that day and to the debit of the amount due on the current account linked to the loan. In the event that there are no sufficient funds for the entire payment of the instalment, the system does not proceed with the debit but the unpaid instalment is flagged so that the branches can receive the information and start acting. The debit of the amount so that the account goes overdrawn beyond existing limits can take place only prior authorisation of the officer / bank department which has the necessary powers to proceed on the basis of applicable policies and procedures for loan approvals.

Starting from the first day following the original due date of the instalment, the IT procedure for loan management begins to accrue default interest.

The branch and all operators can verify at any time the accounting balance of the loan.

In exceptional circumstances the bank can grant, to clients who expressly file a request and who provide valid reasons for the request, the renegotiation of the original terms and conditions provided in the loan agreement, such as extension of the payment dates, modifications of the payment dates and of the amortisation plan, postponement of the final repayment date, changes in the applicable interes rate, can partially or totally renounce to the prepayment penalties, can allow restrictions or reductio in mortgage amounts, etc. The decision is taken by the applicable approving authorities as provided in the internal policies on loan disbursements.

Below is a summary of the approval authority limits:

Approving level	**Board of Directors**	**Executive Committee**	**Chief Executive Officer**	**Head of Credit Department**	**Cat. 1 Branches**	**Cat. 2 Branches**	**Cat. 3 Branches**
Maximum global limit	No limit	13,000,000	1,500,000	300,000	200,000	150,000	100,000
Risk Class 1	No limit	13,000,000	400,000	100,000	60,000	40,000	30,000
Risk Class 2	No limit	13,000,000	700,000	150,000	110,000	70,000	50,000
Risk Class 3	No limit	13,000,000	800,000	160,000	120,000	80,000	60,000
Risk Class 4	No limit	13,000,000	1,500,000	300,000	200,000	150,000	100,000
Credit Cards	No limit	No limit	No limit	12,000	5,200	5,200	5,200
Immediate availability for cheques deposited	No limit	13,000,000	1,000,000	200,000	70,000	60,000	50,000
Mortgage Loans	Minimum approval level: Hed of Credit department, within the respective approval limits						
Treasury operations	Minimum approval level: CEO, within the respective approval limits						

2. LOANS WITH LATE PAYMENTS

2.1. Loans monitoring systems

Ufficio Controllo Andamentale del Credito e Contenzioso (the "Monitoring and Recovery Department"), reporting directly to the CEO, is in charge of the monitoring of credit risks.

Functions of the Monitoring and Recovery Department include activities carried out autonomously or in cooperation with the Branches or Head office services, including:

- monitoring of the entire loan portfolio;

- management, in cooperation with the branches and the Credit Department of the delinquent and impaired loans;

- the proposal to classify positions as *incaglio* or *sofferenza*;

- the valuation of impaired loans for the purposes of the financial accounts of the bank.

The Monitoring and Recovery department is in charge of:

- the monitoring of the management of all positions “under control”, “in review” or classified as incagli, supplying adequate reminders to the branches so to achieve that the position goes back to current;

- proposals for the classification of loans as *sofferenze* or *incagli*;

- the review of the management of the loans for which foreclosure has started and support to the external lawyers involved;

- constant and periodic review of delinquent loans and past due instalments

The activity is carried out utilising a series of information both from internal sources (limits utilisation, Centrale Rischi, unpaid instalments, exposures beyond approved limits, SAR system and daily reports on positions and Client profile) and from external sources such as news reports and information available in the local market, any negative report on the clients such as unpaid bills or injunctions.

Any warning signs are investigated further in order to ascertain if these correctly reflect potentially negative events or are rather due to errors or indicate matters of minor importance.

Late payments monitoring

The following are the two types of reviews made:

- On a monthly basis the Monitoring and Recovery Department prepares a report with unpaid loan instalments and highlights the positions having the following past due amounts, both for mortgage and unsecured loans:

  4 unpaid monthly instalments

  3 unpaid quarterly instalments

  1 unpaid instalment for any other type of repayment

  The review of the positions so identified entails the addition / change of the position and, if deemed appropriate, the issuance of a request for payment via registered mail with a copy to any guarantor.

- On a quarterly basis, the Monitoring and Recovery Department prepares a report including all the positions with delinquent instalments and highlights those with two unpaid instalments (both for mortgage and unsercured loans).

The list produced is sent to the branches, which, with the exception of the positions which are already on watch, have to provide within 20 days, a report explaining the reasons for the late payment, any action already undertaken and an assessment of the riskiness of the position. The information provided by the branches is then analised by the Monitoring and Recovery Department.

Review of current account overdrafts

On a daily basis the Branch Managers review all the positions where a current account overdraft has been originated by any type of transaction (cheques, credit cards, direct debits, etc.) and add their signature and store a copy of such data on a specific file.

On a daily basis, the Monitoring and Recovery Department extracts the list of all current account overdrafts above Euro 1,000, due to any type of transaction, and then contacts the branches for a review of such positions and to take the appropriate corrective actions.

Review of all positions with unpaid cheques or bills

On a monthly basis the Monitoring and Recovery Department verifies the names of debtors reported with unpaid cheques or bills and supplies the list to the relevant branch(es).

The IT procedure activates automatically a block on all transactions by clients in such list, and any transaction has to be approved by the Branch Manager. One of the functions of the Monitoring and Recovery Department is therefore to inform the branches even if no transactions have been requested by such clients during the relevant period.

Review of unpaid invoices and bills

On a quarterly basis the Monitoring and Recovery Department collects data on unpaid discounted invoices and bills where such unpaid amounts exceed 20% of the discounted amounts.

The report is sent to the branches, which have to utilise the data in the assessment of the individual clients and in a higher monitoring of the invoices and bills accepted.

The report has to be returned to the Monitoring and Recovery Department within 20 days with comments about the reasons for the unpaid amounts and any iniziative taken by the branches.

Clients with amounts unpaid by more than 90 days

On a quarterly basis the Monitoring and Recovery Department extracts a report listing all positions with amounts past due by more than 90 days.

Current accounts with no transactions

On a semi-annual basis a report detailing all current accounts for which there was no transaction for more than 180 days is prepared.

The reports detailing clients with amounts past due by more than 90 days and with no transactions for more than 180 days are sent to the Branches, which have to assess the positions and take swiftly any action for the recovery of the amounts.

A copy of the reports with the notes and comments by the branches have to be sent back to the Monitoring and Recovery Department within 30 days.

2.2 Classification of loan position as risk level

Positions with high levels of riskiness have to be classified as:

- *Incagli*
- *Sofferenze*

In order to achieve a closer management of credit risk, the classification of exposures must also include exposures "under surveillance".

In addition to the Bank of Italy provisions related to non performing loans, the Bank, utilises a procedure called SAR in order to identify exposures with higher risks and classifyt them on the basis of the related riskiness. The SAR system produces automatically a score on the basis of a set of parameters and depending on the score, exposures with a level above certain thresholds must be classifies as irregular and placed under monitoring. In particolar the current regulations provide as follows:

- SAR score from 6 to 7.99: exposures to be reviewed and to be classified "under monitoring";
- SAR score equal to or higher than 8: exposures to be reviewed and to be classified as "under exam";

In addition to the above mentioned scores, exposures having the following features must be considered in order to identify the exposures to be classified as "under exam":

exposures related to term and mortgage loans with:

4 or more unpaid monthly instalments

3 or more unpaid quarterly instalments

2 or more unpaid semiannual instalments

1 annual instalment un paid for more than 3 months.

The classification of exposures under surveillance or as incaglio, where the above irregularities are present, is made by the Monitoring and Recovery Department, which timely informs the relevant Branch.

Exposures classified as mentioned above are communicated on a monthly basi sto the Head of Area Affari and to the Head of Administration and Finance.

On a quarterly basis a report on these exposures is provided to the Board of Directors.

2.3 Actions taken

The management of exposures "under surveillance" and in "*incaglio*" is a responsibility of the Monitoring and Recovery Department, together with Area Affari (and branches), which takes care of the relationship with the clients.

On a monthly basis the Monitoring and Recovery Department revies on a specific system application the comments received from the branches with respect to the exposures with SAR score (as of the previous month) equal to or higher than 6, even if these are already classified as "under review", "in exam" or as *incaglio*. Comments have to be provided by the branch within the month following the one when the score has reached the above attention levels.

Moreover, exposures classified as "under monitoring", "in exam" or "*incaglio*", the branch informs the Monitoring and Recovery Department also via a "risk form" within a maximum term of 10 days, with respect to the reasons of the irregularities and to the actions that are planned to normalise the relationships or the actions already taken and the results achieved.

In the case of exposures classified as "*incaglio*", the branch has to complete also an extraordinary review of the exposure. If the client belongs to a group, the entire group exposure has to be reviewed.

As a general rule, exposures should not be classified as "under surveillance" for more than 6 months, to be extended by a maximum of 6 additional months if there are valid reasons for doing so deriving from the nature of the actions put in place to have the exposures back as current. After this term has elapsed exposures can remain in the same bucket only with the approval by the CEO, otherwise the exposure has to be reclassified as current (having the features for this to apply) or otherwise as *incaglio*.

As a general rule exposures can remain classified as incaglio for a maximum of 12 months, unlessa an additional 6 month term is approved by the CEO. After such term has elapsed, if there are no clear signs of normalisation, the exposure has to be submitted to the Executive committee.

2.4 Review of the results from the actions taken

On a quarterly basis the appropriate department will have to verify that actions planned have been implemented by the relevant branches and that the results achieved are consistent with the terms and details agreed.

If actions planned cannot be implemented, the branch has to timely inform the Monitoring and Recovery Department so to identify potential alternative solutions. All documentation related to these activities has to be stored by the Monitoring and Recovery Department.

Results from the actions taken are communicated on a quarterly basis by the Monitoring and Recovery Department to the CEO, who then submits the information to the Board of Directors so that appropriate decisions can be taken. The report has to identify ate least all exposures classified as "under surveillance" and "*incaglio*".

3. Classification of exposures as *sofferenza* and management

The management of exposures in foreclosure refers to the time when exposures are classified as "*sofferenze*" and the subsequent management of the recovery process, with particolar reference to the activation of the role of the external lawyers, the coordination of this activity and the determination of provisions and write-offs.

3.1 DOCUMENTATION GATHERING

The decision to classify an exposure as sofferenza is taken by the Executive Committee, unless, on the basis of specific authorities, this is proposed by the CEO, on the basis of information provided by the Credit Control department. Any decision taken is timely communicated to all the relevant departments and branches and considers the entire exposure to a client / group of clients.

3.2 INTERNAL MANAGEMENT

The Monitoring and Recovery Department prepares for the Executive Committee a memorandum with information necessary to analyse a position and to identify possible recovery strategies o write-off.

Any decision by the Executive Committee with respect to provisions, write-offs, loan sales, has to be accompanied by proposals and opinions by the internal departmens and/or external lawyers in charge of the recovery of the exposures.

Objective information for the assessment of loan provisions can be derived from:

- the difference between the exposure and the debt repayment ability and assets of the debtors and guarantors;
- realisable value of guarantees, information received from experts or legal advisors;
- length of legal actions and procedures, expected results and related economic efficiency;
- out of court settlements, forebearances;
- borrower's behaviour;
- attitude towards other creditors.

The Executive Committee (unless specific authorities are given) is responsible for all decisions related to the subsequent management of the exposure classified as sofferenza, in particular:

- terms for any sale of the claim
- provisions and write-offs.

3.3 OUT OF COURT RESOLUTIONS

Specific procedures are in place to determine the cancellation of all credit lines and for the request for payment to all obligors and guarantors and the identification of all amounts on which a set off right can be exercised.

The Executive Committee, upon proposal by the CEO (unless specific authorities are given), is responsible for all decisions with respect to the subsequent management of all positions classified as *sofferenza*, in particolar:

- set-off or liquidation of existing guarantees;
- implementation of all possible actions for the recovery of the exposure;
- novations, forbearances
- debt restructurings
- repayment plans.

3.4 – EXTERNAL AND JUDICIAL MANAGEMENT

The Executive Committee, upon proposal by the CEO (unless specific authorities are approved), is in charge for the selection of the law firm to which the management of the judicial proceedings is to be assigned, with indication of the actions to be implemented as well as any external recovery agency to which the extra-judicial recovery processi s to be assigned.

The committee also montiors that the activity undertaken by the lawfirms corresponds to the indications received in the mandate awarded by the bank and that detailed updates are supplied as to the developments of the actions and that copies of the related documentation are provided.

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BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Banca Mediocredito del Friuli Venezia Giulia S.p.A.

1. PERFORMING LOANS

Payment methods and cash management processing.

The IT system of the bank implements a credit management process based on the “French” amortization approach which implies fixed payments (principal and interest amounts vary according to the fixing of the applicable interest rate and the payment frequency). The amortization of the loans starts on the day the contract is signed, unless the contract provides for a pre-amortization period during which the debtor pays only interests.

The payments of the loans are usually semi-annual with payment dates on the 30th of June and 31st of December. On a case-by-case basis it is possible to customize the contract and allow for monthly, two-months, quarterly or four-months payments.

There are different payment methods:

- debit on the debtor current account in Mediocredito bank;
- debit with RID (Rapporti Interbancari Diretti) on the debtor current account in any branch of a banking institution on the Italian territory;
- debit on the debtor account in any branch of a banking institution on the Italian territory through Ri.Ba. claim (this kind of payment is not offered to new clients anymore; it is only used as a temporary means of payment while debtor’s Rid is activated)

Collection through debit with RID on the debtor account

It is the most common means of payment used by debtors.

The loan IT management system provides for a daily procedure which is run in the night and which allows for detection of payments maturing the following day and it also generates credit flows subject to collection (*SBF – salvo buon fine*) which are sent through the National Interbank Network. If the debtor’s account either is not usable or it is partially usable, the bank usually receives a notification of the unpaid instalment and of the cancellation of the payment subject to collection through the National Interbank Network within the 6th working day following the maturity of the payment.

The loan management procedure calculates interests in arrears starting from the first day following the original maturity of the payment.

The system can show the status of the loan at any time and highlight its accounting position.

In exceptional circumstances, the Bank can:

- take actions to renegotiate original contract covenants like: defer payments, reschedule residual debt maturity and amortization plan, postpone final maturity or renegotiate interest rate;
- entirely or partially renounce to the early repayment penalty, or

- grant a ceiling or reduction on the mortgage

to clients who explicitly require one of these measures providing a valid and tangible justification. The decision-making power is referred to the convened deliberative body, as defined in the internal regulation with respect to loan supply policy.

2. POSITIONS IN ARREARS

2.1 Monitoring systems

Area Managers are in charge of collecting updated information provided by clients and of administering relations with the Operating Monitoring Unit and Credit Management desk of the Business Division for the positions that the same division manages.

The monitoring function collects, organizes and gauges information about clients provided by external sources and promptly contacts the convened business units which are responsible for the management of the client whom information is referred to.

Risk control is carried out through:

- activities undertaken on an on-going basis by the business units appointed by the General Manager that follow all the phases of the entire lending process, from the preliminary review of the credit assessment report before the appraisal by the dedicated decision-making bodies to the monitoring of troubled and impaired positions;

- monitoring of the entire portfolio of loans by the Planning, Risk Management and Business division, a function which is separated from any other operating function.

The process guarantees qualitative standards requirements in the loan supply process and in the loan management procedure.

The main activities undertaken by the convened business units are:

- position management control for loans which are overdue or in arrears up to 269 days through an appropriate course of action to make them return to normal status (Operating Monitoring Unit and Credit Management);

- management of delinquent and defaulted positions and of contingent judicial recovery procedures supported by an external attorney (if necessary) (Non-performing loans Service)

- check of the proper empowerment and of the respect of the limits by the operating business units (Internal Auditing);

- regular and periodical check of cash arrears and of the classification in the proper class of risk (Planning, Risk Management and Business division).

The activities are carried out using internal information provided by corporate databases (credit revolving, drawdown, Bank of Italy's Risks Centre, unpaid loan payments, overdraws, irregularities in the client activities, client's profile) and external information (news collected from information providers and on the market, negative information about the clients, registrar, dishonours, transcripts etc.). It is also performed: data mining from the internal IT system for irregular entries with respect to all the outstanding loans; valuation and comparison with other internal evidences (i.e.: loan payments in arrears, etc. , if this information is not provided by the warning flags.

The irregularities that will be detected have to reflect concrete client's misconduct and have not to be

the result of arguably incorrect information or information which is not significantly relevant.

Moreover the bank is given notice of any change or any prejudicial event that involves the client under observation on a weekly basis; this information is sent to the Credit Monitoring and Credit Risk Control divisions.

Specific evidence is provided by the Monitoring division to the Area Managers, the Business Managers, Credit Managers and Commercial Managers and to the Credit Risk Operating Control Unit for information.

The business division that manages the position will then take necessary actions to deal with the received warning.

Credit risk control is undertaken by the Credit Risk Control Division through investigation either on single troubled positions or on the entire portfolio, through an analysis of some specific aspects, namely:

- Portfolio composition at global level;
- Credit concentration;
- Composition of impaired loans;
- Credit risk policy indicators;
- Historical credit activity;
- Risk profile by economic sector;
- NPLs recovery;
- Interest rates;
- Positioning on the credit market.

Non-performing loans division's monitoring activities of delinquent and defaulted positions entail timely update of the status of each single position in order to provide information to the Control divisions and to the General Administration.

Procedures for identification of payments in arrears.

As regards the procedures for identification of payments in arrears and, in particular, the Planning, Risk Management and Business division monthly requires a list of all positions, both secured and unsecured, which record overdue payments and it classifies them into:

- In arrears (delay up to 30 days);
- Overdue (delay between 30 and 90 days);
- Overdue deteriorated (delay more than 90 days);
- Delinquent;
- Restructured;
- Defaulted.

The report is distributed to all the business units which are involved in the monitoring activity in order to ease the implementation of their activities.

Procedures for identification of approved, undrawn or partially undrawn loans.

The Business division is responsible for the monitoring activities of approved loans which are undrawn or partially undrawn and reports to the General Administration about the undrawn positions.

Following the resolution by the Competent authorities (the Executive Committee that meets once every two weeks or the Board of Directors that meets monthly), all the approved financing/restructuring applications are passed on the Credit Risk Operating control division which, in turn, samples this portfolio and performs additional tests in order to assess the completeness and consistency of the set of information relating to the single loan application, the consistency of the loan granting approval report and the compliance with the limits of the approval process.

Any comment is directly sent to the Business and Credit Manager.

If a breach of either the mandates or the limits set for the approval process is noticed, the Credit Risk Control division will notify to the General Manager and to the Internal Audit.

2.2 Classification of problem loans

Loans with significant arrears have to be classified in one of the following categories:

- delinquent;
- defaulted

For an optimal credit management, the classification of the risky positions has to account also for: loans which have been classified as overdue for a certain period of time before returning to their normal status; any position which was delinquent in the past and any other loan that can raise particular concerns to the managers. Reports are delivered on a monthly basis and include information presented in the previous paragraph "Procedures for identification of payments in arrears".

2.3 Recovery procedures

The Business unit which is in charge of the credit management considers the information and the data about the loan and carries out additional investigations that can directly involve the client. In the light of the attained findings the business unit can implement *ad-hoc* measures in order to mitigate risk exposure and/or review the position in the taxonomy of the credits, according internal or monitoring regulatory system.

The results of the investigation process and the implemented actions are also reported to the Credit Risk Control division.

2.4 Investigation on the results of the implemented measures

The Credit risk control operating unit carries out a check on a sample, namely on those positions which record significant outcomes, the consistency of the classification with respect to the internal and monitoring regulation. If it is necessary to change the classification of the positions, the Risk Control Department will implement due measures and will inform the Business units in charge of client management the Managers responsible for the Business Area, the Commercial Area and the Credit Services Area.

The Internal Audit carries out the investigation on the correct imputation of the troubled positions

semiannually.

If the loan is renegotiated, the approval scheme is submitted to the Executive Committee and to the Board of Directors after the conclusion of the credit assessment process.

3. WRITE-OFF AND MANAGEMENT OF DEFAULTED LOANS

The enforcement process refers to the procedures from the recognition of the position as defaulted to the entire following course of action including the activation, management and coordination of the involvement of the external attorneys and the appraisal of contingent devaluations or losses.

3.1. Documental gathering

The imputation of a defaulted position is carried out:

- following resolution by the General Manager upon proposal by the Business division managers, namely: the Credit Services Manager for delinquent loans or the Credit risk control Manager;
- upon initiative by the Administration, Finance and Facilitation Area, further to the notice that the Debtor or the Lessee has been subjected to a bankruptcy procedure (including the extraordinary administration);
- following resolution of the Business Area Manager, upon Service Manager proposal further to involvement in voluntary liquidation procedures

The change of status of the position from "defaulted" is reserved to the approval of the competent bodies, in accordance with the credit decision powers delegated.

3.2. Internal Management

Every quarter the Board of Directors is informed by the Credit Risk Control division about the positions that have become delinquent or have defaulted; the report is edited according to the information received from the Operating Credit Monitoring and Management division.

The business entities that are responsible for the analytical assessment of problem loans are:

- the Area Manager of the Commercial department in charge of those loans which have been classified as "under observation";
- the Area Manager of the Commercial department in charge of those loans which have been classified as "in arrears";
- the Area Manager of the Commercial department in charge of those loans which have been classified as "overdue deteriorated";
- the Area Manager of the Commercial department in charge of those loans which have been classified as "restructured";
- the Planning, Risk Management and Business division for those loans which have been classified as "delinquent";
- the Planning, Risk Management and Business division for those loans which have been classified as "defaulted".

All the results from preliminary investigation are submitted to the Credit Risk Control desk.

Appraisal of the assets posted as collateral of defaulted positions is carried out in accordance with some operating criteria:

a) if the asset is undergoing a sale process, its value is assumed to be equal to the selling price;

b) if no CTU appraisal has been performed during insolvency procedure, the asset value is assumed to be equal to the updated value obtained by the internal appraisers valuation;

c) in neither CTU appraisal nor internal updated appraisal is available, the value of the asset is assumed to be equal to the one available in the most recent appraisal with a 20% haircut;

d) if a CTU appraisal is available, the price of the asset is set equal to the value provided by the CTU assessment;

e) if the asset is auctioned, its value is assumed to be equal to the last available hammer price;

f) fees amount to at least 2% of the sale price of the asset if the price is higher than 1 mln €; 5% fee will instead be applied for lower asset values.

The guarantees that are usually excluded from the preventive appraisal are:

- pledges on equity shares and securities which are neither quoted on active markets nor issued by banks or public administration bodies;

- benefits from exploitable assets, if updated information about their actual value is not available;

- guarantees which are not released by public administrations, banks, insurance companies and consortia for collateralization of the loans.

The pledges on financial instruments which are either quoted on active markets or issued by banks or public administration bodies are priced as the lowest between the nominal and the market value; that is the value reported in the guarantee document.

Proposals for analytical amendment/recovery of the value of loans classified as defaulted are subject to appraisal by Credit Risk Control division which verifies:

- the consistency between the estimated loan recovery, the preventive appraisal and any contingent legal actions initiated with respect to the loan;

- the reliability of the estimated recovery period.

Moreover, the credit risk control division assesses whether the criteria required for a loan to be classified as delinquent are met by the positions included in this category and the reliability of the amended/recovered value of the loan approved by Business Area.

The Credit risk control desk cooperates with the operating units of the Business Area in order to collect all the available information or news which can be useful in the appraisal process.

The operating units of the Business Area provide proper evidence on the specific features of the investigated risky positions to the Credit risk control division that, in this way, can express its view on the classification and the estimated losses on the loans.

The Credit risk control division ensures prompt provision of the documentation related to positions subject to analytical appraisal and collects it in dedicated binders; if needed it calls upon to send the missing information.

The Credit risk control division, in the light of the investigations carried out can integrate available information with its own appraisals if it notices specific cases requiring adjustment to the amended/recovered value.

The Credit risk control division reports to the CEO and to the Appointed Manager about the findings of the appraisals and implemented measures.

The CEO and the Appointed Manager can modify the amended/recovered value quantified by the Credit risk control division, subject to appropriate justification.

The final amended/recovered value is then communicated to the Administration and to the Credit risk control area.

The Operating Credit risk control division will then report the amended/recovered value of the loan on the IT system.

The Board of Directors is provided with evidence of the amended/recovered recorded on each single position and it is informed about contingent adjustments with respect to former appraisal by the Credit risk control division carried out by the CEO and the Appointed Manager.

3.3 Judicial recovery

There are specific implementation measures for revocation of the credit, notice of the default to the debtors and to the guarantors and the recognition of credits that can offset.

If no credit decision power has been delegated, any action to be carried out with respect to defaulted positions is resolved by the Board of Directors, under proposal of the Appointed Manager, and in particular decisions with respect to:

- compensation and/or collection of prompt executable collateral;
- implementation of any available measure for credit recovery;
- novation, remission and/or acquittal measures;
- redefinition of the credit structure;
- definition of the rescheduling plan.

3.4 External judicial recovery

The Board of Directors, under proposal of the General Administration and with exception of delegated powers, appoints external attorneys for a formal mandate to manage insolvency procedures according to the Bank’s guidelines indicating also potential companies for out-of-court recovery.

The actions carried out by the attorney is monitored in order to assess whether their job in consistent with the guidelines and to provide contingent new information about the recovery process.

CASSA DI RISPARMIO DI SALUZZO S.P.A.

The following Credit and Collection Policy and Recovery Procedures of Cassa di Risparmio di Saluzzo (CR Saluzzo)

OPERATIONAL AND MANAGERIAL ASPECTS

Below is a description of the payment methods accepted by the bank.

Payment methods and collections monitoring

Most of the loans disbursed by the bank have a "French" amortization plan (increasing capital component and decreasing interest component); a residual portion of the loan book is comprised of Italian amortization (constant capital component). Loan amortization usually starts on the origination date, however some loans may have a pre-amortization period, during which the debtor pays interest only.

Instalments frequency is usually monthly, quarterly or semi-annual, depending on the agreement reached with the client.

The main instalment payment methods are as follows:

- Automatic debit on the client's current account with the bank (main method);
- Debit - via RID (direct inter-bank channel) – the client's account with another bank.

Direct debit on bank current account - details

It is the standard payment method: almost all loans are repaid via debit of the debtor's current account with the bank.
Every day the mortgage loans IT management procedure identifies which loans have due instalments and debit the current accounts connected to the loans.
In case available funds on the current account are not sufficient to cover the instalment due the procedure does not debit the account but rather post the instalment amount to a suspended account ("memo" procedure) so that the branch can view the missed payment and take action, coherently with the assigned delegated authority. Debiting of an account with insufficient funds has to be authorised by the competent delegated authority.
The procedure calculates penalty interest since the first day after the payment is due, (if following day is not a business day the calculation starts on the next business day).
At any one moment in time the branch employees and the credit officers can verify the loan accounting status.
In exceptional cases the bank can renegotiate the original loan terms with those clients who request it and are able to provide adequate and satisfying reasons. In such instances the bank can offer extended terms, modify the frequency or the number of payments, extend the final maturity, renegotiate the loan margin, forfeit totally or partially the pre-payment penalty, modify the mortgage amount.
Decision making power on renegotiations is delegated in the same way as underwriting. In any case, such decisions are taken at headquarter level (no authority is delegated to branches).

PROBLEMATIC POSITIONS MONITORING

A description of how CR Saluzzo deals with deteriorated credit depending on type of anomaly (watch list, past due, non performing) follows.

<u>Credit Monitoring – General Framework</u>

Credit Monitoring at CR Saluzzo is performed at different levels:

- Loans are actively managed: branches and head office are continuously in touch with customers, collecting updated information and trying to anticipate the first signs of trouble;
- An independent credit monitoring function is responsible for monitoring the loan book management operations (excluding non performing loans). Such unit is the *Monitoraggio del Credito* office (or Credit Monitoring Office);
- Another unit – *Ufficio Contenzioso e Legale* (or Legal and Litigation Office) – is in charge of managing the recovery process for those loans that the bank has classified as *sofferenza* (non performing).

The structures/functions named above, responsible each with its competences for managing problematic loans, have - among others - the following duties:

- Anomalies control;
- Active management of positions classified as on watch or past due and notification to branches to chase the debtor and try to obtain immediate payment (so to reclassify the loan *in bonis* again);
- Formulate loan reclassification proposals: change loan status to on watch / past due / non performing depending on situation;
- Management and control of litigations or legal proceedings, overview and coordination of external counsels.

Operations referring to the first point above (anomalies control) are carried out relying on internally available information. For instance:

- Anagraphic information;
- Loan facilities utilisation and overdrafts above agreed limits;
- Anomaly scores: such scores are calculated by an internal procedure called "MC". MC anticipate behavioural issue using information retrieved from different company archives or procedures (credit lines and guarantees, current accounts etc.);
- Irregularities in the usage of cheques

As far as anomalies monitoring is concerned CR Saluzzo also relies on external sources, including:

- Bank of Italy *Centrale dei Rischi* (registry of bad payers);
- News from other third parties databases – i.e. Cerved, for instance. Such news might be missed payments or registration of judicial mortgages;
- Publicly available information (press and media).

Information, gathered as described above, is elaborated by the appropriate control unit depending on loan status, to assess the implications in terms of credit risk for the bank, propose reclassification and decide the most appropriate course of action depending on circumstances.

Detection of payment delays

The *Ufficio Crediti* (Credit Office) prepares, on a monthly basis, a list of loans with delays in payments.

Missed payments are automatically signalled every day via the IT procedure "memo" - as described above - to the relevant branches to allow them to quickly get in touch with clients and ask for immediate payment.

Furthermore as better specified in the next few sections of this document, unpaid instalments, contribute to a worsening of the MC procedure's anomaly score. The score increases depending on the number of days of delay and/or the number of unpaid instalments.

In conclusion, the detection of unpaid instalments takes place automatically. Once a missed payment is detected it is signalled via different IT procedures, to both branches and headquarter (Credit Monitoring Office), enabling the bank to take instantaneous action at different levels of the structure coherently with assigned authority/powers.

In greater details, the intervention usually follows these steps:

- The relevant branch contacts the debtor and urge him to pay the missed instalment;
- About 45 days after the missed instalment, an IT procedure automatically send a letter to the debtor (unless the debtor pays earlier);
- In case of negative feedback from the previous attempts, the *Ufficio Monitoraggio Crediti* (Credit Monitoring Office) start managing the position by sending other notifications / meeting the client / organizing other activities that may be considered useful depending on circumstances.

In case of failure of all the previous efforts eventually the bank escalates and starts considering legal action - indicatively, legal intervention is deployed after six monthly unpaid instalments. In any case positions are managed on a case by case basis, therefore the formulation of a recovery strategy is never an automatic process and only takes place after having carefully assessed the best options given the specific situation.

Overdrafts

Branch directors verify, on a daily basis, that current accounts at their branch have non negative balance via the application named "Cruscotto".

Based on the report elaborated by Cruscotto, which highlights in great detail the characteristics of the overdraft (duration, amount etc), branch directors analyse the overdrafts reasons. On a monthly basis headquarter structures (Credit Monitoring Office and Legal and Litigation Department) assess the activities carried out at branch level.

The approval of overdrafts and the decisions in relation to approval of credit lines to cover overdrafts is manage by the appropriate departments at Head Office level, within the approval limits applicable from time to time.

Positions (overdrafts) classified by the dedicated procedure as Critical ("*GRAVE*") or having the following characteristics are followed by the Credit Monitoring Office on an ongoing basis:

- overdrafts of at least Euro 3.000 and outstanding by more than 30 days;
- overdrafts of at least Euro 1.000 and outstanding by more than 60 days.

Every six months an analysis of the so called *partite minime* is carried out. These are overdrafts of less than Euro 1,000 persistent by more than 180 days. For such positions provisions are proposed if necessary.

<u>MC Procedure – credit monioring</u>

The bank's MC procedure highlights anomalies using a proprietary analysis framework. This analysis is periodically revised and relies on different sources of information or sub procedures. Among the others:

- Client identification records
- Information from Bank of Italy *Centrale dei Rischi*;
- Position Control procedure (PC);
- Loan and collateral IT procedure;
- Remittance procedure;
- FX transactions procedure;
- Current Accounts procedure;
- Persistent Overdrafts procedure;
- Cheques management.

For each of these procedures the bank has identified the most meaningful events and assigned a score. The sum of the scores for each procedure defines a total score that is considered when defining the level of complexity for a given position: anomalies are classified as light, medium or critical.
The units responsible for credit monitoring can eventually override the automatic system and classify a position as an anomaly if they believe it's appropriate and the position has not been classified so by the MC procedure.
Total scores are organized in bands. For each score band the bank has identified a series of activities to be performed to keep the position under tight management.
The Credit Monitoring Office is responsible for maintenance of the MC procedure.

In greater detail, to the extent of identifying watchlist positions, the Credit Monitoring Office, among the others, takes in consideration:

- Positions with a total score (MC total score) greater than 10,000;
- Daily overdrafts;
- anomalies on factoring (invoices, trade receivables, foreign credit);

- past dues;
- any type of news that may help in determining a client's level of financial soundness;
- unpaid instalments;
- clients with approved credit facilities which do not regularly draw / repay them (such exposures are assessed on an individual basis in order to identify normal behaviours, such as for example in the case of real estate compagnie);
- exposures with unpaid invoices or bills exceeding 25%;
- 30 days past due.

Such watchlist positions are listed in a monthly report sent to and analyzed by the Credit Committee. The same document, *inter alia*, contains as a synthetic performance index the number of new watchlist positions and the number of watchlist cases returned *in bonis*.

Most critical watchlist positions are analysed case by case in an additional quarterly report.

On a quarterly basis the Executive Committee is notified the list of positions that have been classified as watchlist for more than 12 months, as well as the main watchlist cases (indicatively larger than Euro30,000) regardless of the time spent with this classification.

<u>Classification of problematic loans</u>

Loans highlighted as an anomaly are classified in one of the following categories:

- loans "*in evidenza*" (watchlist);
- *incaglio* (past due);
- in *sofferenza* (non performing).

Watchlist positions have been discussed in the previous paragraph, here it will only suffice to remember that watchlist are those cases for which the first signals of anomaly are detected and that as such are in need of a careful management to avoid deterioration.

Exposures to clients objectively in difficulty but whose condition is deemed temporary and reversible in time are classified as past due. The bank in any case includes among *incagli*, the so called "objective *incagli",* as definet from time to time by the Bank of Italy.

In order to classify a loan as past due the Bank, among others, considers the following elements:

- no account movements;
- voluntary liquidation procedure;
- regular issuance of uncovered chques without funds coverage;
- unpaid cheques reported on the database for uncovered cheques;
- legal actions proposed by third party creditors;
- for credit lines with an amortisation plan (including mortgage loans) and a missed instalment, no answer – within 60 days - to the letter sent by the bank requiring immediate payment;
- missed payments of salaries to employees;
- missed payments of taxes;
- debtor registration in Centrale Rischi;
- misleading / false statements about the company;

- high unpaid amounts in the portfolio of discounted bills and invoices.

The classification of exposures as incaglio is proposed by the Credit Monitoring department, for subsequent assessment by the Credit Committee and approval by the Executive Committee.

The out standing loans classified as incaglio are reported on a quarterly basis to the Executive Committee, through a specific report describing in summary form the dynamics of such exposures (new loans classified, loans de-classified and subsequent classification) and their trend over time, and at analytical level the detail of the exposures outstanding.

The Credit Monitoring Department coordinates the management of loans classified as incaglio by systematically analising the evolution of these amounts, by assessing the reasons for the classification and the related possibilities for the exposure to go back to current. In particular, the department takes part in the proposal of repayment plans together with the Branch Managers and verifies over time the compliance with the commitments undertaken by the clients. The department also assesses the opportunity to propose to the Management to start actions necessary for the recovery of the exposure via judicial or extra judicial proceedings in the event that the exposure is classified as *sofferenza*.

All exposures towards a client in involvency proceedings or in proceedings substantially having the same effect, are classified as *sofferenze*.

When assessing whether to classify a loan as a *sofferenza* (non performing loan), the bank weighs:

- Client has stopped business without having previously agreed or negotiated with the bank a repayment plan of the existing debt;
- Legal actions – including bankruptcy proceedings of any type;
- Transactions and/or haircut taken from other lenders;
- Persisting issues in reducing the level of indebtedness.

The actual decision of classifying a case as a non performing loan is taken by the Executive Committee on proposal of the Credit Committee and based on the assessment given by the Credit Monitoring Office.

On a semi-annual basis the Legal and Litigation Department prepares a report addressed to the Board of Directors that gives details about the bank's non-performing loans, story and evolution of these situations and expected recovery.

Monitoring and Management - Form

Structures responsible for credit risk monitoring carry out their duties in a formal way via documents and procedures:

- Annotations posted on the dedicated procedures (es. "MC");
- Comunications to branches;
- Reports sent to different recipients (general management, executive committee etc), as previously explained, detailing the situation and the outcome of the implemented recovery strategies/actions.

Documents discussed above are stored in paper or electronic format as the case requires.

PROVISIONS

General Management, leveraging on the support from the operative structures for technical aspects of competence, present to the Board of Directors, every six months, the relevant documentation to assess, with regard to problematic positions, chances of recovery, provisions, write off proposals, use of debt recovery agencies (special servicers) etc.

Among the elements considered when discussing provisions are:

- residual debt amount, debtor's and guarantors' income and assets;
- guarantees/collateral likely liquidation value (relying on reports from independent experts);
- foreseeable duration of recovery strategy and legal proceedings, and their likely result (and associated costs);
- chances of coming to an agreement or a transaction;
- Debtor fairness;
- Other creditors approach and considerations.

EXTRA JUDICIAL MANAGEMENT

Specific procedures determine when credit facilities are cancelled and repayments of oustandings are officially required to debtors, co-obligors and guarantors.

Decisions regarding the activities listed below are taken at Executive Committee / General Management level based on the specific delegations authorised by the Board of Directors and published in the document "*Poteri delegati*" (i.e. delegated powers). Such activities are:

- Liquidation of collageral;
- implementation of all possible credit recovery strategies;
- credit restructuring;
- definition of repayment plans.

From an operative stand point, extra judicial management is carried out by *Ufficio Contenzioso e Legale* (Legal and litigation department) who proposes the activities or strategies considered to give the best results given circumstances and only proceeds after having obtained the authorisation from the relevant authority (usually the Executive Committee).

EXTERNAL AND JUDICIAL MANAGEMENT

The bank's General Management identifies the external legal firm or counsel to appoint in case of judicial resolution (the mandate specifies the type of actions to pursue) as well as the external debt recovery agency in case of extra-judicial resolution.

No authority or decision is delegated to external counsels whose only task is to accept payments when settlement is through a repayment plan while all other decisions (write off for instance) can only be taken by the Executive Committee, after hearing the Legal and Litigation department.

The bank monitors the external counsels, make sure that their actions comply with the instructions specified in the mandates and continuously ask lawyers feedback regarding the recovery process.

If the acquired feedback is particularly relevant or severe then this is immediately transmitted to the bank's Board of Directors.

USE OF PROCEEDS

The net proceeds from the issue of the Notes, being Euro 659,450,000 of which Euro 419,000,000 of the Class A Notes and Euro 240,450,000 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios, to fund each Relevant Cash Reserve and the Retention Amount, and to pay any upfront costs and expenses of the Transaction in accordance with the provisions of the Subscription Agreement.

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 12 February 2013 under the name of Alchera SPV S.r.l., registered in the Register of Companies of Milan with No. 08149260963. 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 the 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 to the issuance 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 Offering Circular. The quotaholder of the Issuer is Stichting Dean which holds a quota equal to the entire quota capital (Euro 10,000.00) of the Issuer (the "**Quotaholder**").The duration of the Issuer is until 31 December 2080. Pursuant to the Agreement between the Issuer and the Quotaholder, the Quotaholder has given certain undertakings in relation to the management of the Issuer and pursuant to the Corporate Services Agreement the Corporate Services Provider has also undertaken to provide the Issuer with certain management services (including the activity indicated in clause 4.1 of the Agreement between the Issuer and the Quotaholder). For further details see section headed "*Description of the Other Transaction Documents - The Agreement between the Issuer and the Quotaholder*".

Principal Activities

The scope of the Issuer, as set out in article 5 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 meeting held on 13 May 2013. 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 Portfolios, 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.

Director(s)

Alchera SPV S.r.l. is managed by the sole director Fabio Stupazzini. The sole director was appointed on 12 February 2013.

The sole director is domiciled for this purpose at the registered office of the Issuer at Via Statuto 10, Milano (Italy), telephone number +39 02 58459 175.

No statutory auditors (*sindaci*) have been appointed.

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	Euro 10,000.00

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

Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048.

Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048.

Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048.

Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048.

TOTAL INDEBTEDNESS	Euro 659,450,000

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 for the one 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 and the Irish Listing Agent. 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 three transfer agreements, each entered into between the Issuer and the relevant Originator on 6 June 2013 (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 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 Portfolio sold by Banca CR Savigliano is referred to as Portfolio No. 1, the Portfolio sold by Banca MCFVG is referred to as Portfolio No. 2 and the Portfolio sold by CR Saluzzo is referred to as Portfolio No. 3.

THE PURCHASE PRICE

As consideration for the acquisition of the Claims pursuant to the Transfer Agreements, the Issuer has undertaken to pay to Banca CR Savigliano a price equal to € 238,936,522.29, to Banca MCFVG a price equal to € 172,576,130.77 and to CR Saluzzo a price equal to € 231,121,085.42 (collectively the "**Purchase Price**"). The Purchase Price is calculated as the aggregate of the Outstanding Principal of all the relevant Claims at the Effective Date.

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 general criteria (the "**General Criteria**") and further specific objective criteria as set out for each Originator (the "**Specific 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 Transfer Agreements 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 Originators pursuant to the relevant Transfer Agreement. 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 Purchase Price shall be adjusted as follows: (i) within 5 (five) Business Days from the day in which the relevant Originator or the Issuer, as the case may be, becomes aware of the fact that the claim does not meet the Criteria, it shall give written notice to the other party; (ii) further to the written notice, the Originator shall promptly notify to the Computation Agent, with copy to the Issuer, the amounts due to the Issuer and shall immediately pay to the Issuer: (a) an amount equal to the Individual Purchase Price of such claim, plus (b) any accrued and accruing interest on such amount (decreased of an amount equal to the principal amount of all the Instalments recovered and

collected with respect to such Claim as of the Effective Date) from the Issue Date until the Repayment Date of the Individual Purchase Price (*Data di Rimborso del Prezzo di Acquisto Individuale*, as defined in the relevant Transfer Agreement) calculated at an annual rate equal to the weighted average interest rate payable on the Notes on such period; less (c) the aggregate of all amounts recovered and/or collected by the Issuer in respect of such claim after the Effective Date;

B. in the case of a Claim which meets the Criteria, the Purchase Price shall be adjusted as follows: (i) within 5 (five) Business Days from the day in which the relevant Originator or the Issuer, as the case may be, becomes aware of the fact that a Claim meets the Criteria, it shall give written notice to the other party; (ii) further to the written notice, the Issuer shall reimburse to the Originator at the following Payment Date in accordance with the provisions of the Intercreditor Agreement: (a) an amount equal to the Individual Purchase Price which would have been paid if the Claim were correctly inserted in annex A to the relevant Transfer Agreement; less (b) the aggregate of all amounts recovered and/or collected by the Originator in respect of such Claim after the Effective Date.

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 and all non contractual obligations arising out or in connection with the Transfer Agreements, 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 and the Irish Listing Agent. 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 6 June 2013 (as subsequently amended) among 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 relevant Transfer Agreement and the respective Mortgage Loans, their full title over such Claims, 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 it or otherwise arising to it 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 represented and warranted with respect to itself and the Claims it sold to the Issuer under the relevant Transfer Agreement and the relevant Mortgage Loans and the Mortgages securing them, as to, *inter alia*, the following matters:

General

(i) it is a bank duly incorporated as a *società per azioni* and is duly organised and validly existing under the laws of Italy;

(ii) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement 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 terms thereof, including, without limitation, the sale and assignment of the Claims;

(iii) the execution, delivery and performance by it of the Warranty and Indemnity Agreement and the other Transaction Documents 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;

(iv) provisions of the Warranty and Indemnity Agreement are legal, valid and binding and are enforceable against it in accordance with its terms;

(v) 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;

(vi) 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;

(vii) since 31 December 2012, being the date of their most recent published full audited accounts, approved, respectively, on (i) 26 April 2013 with respect to Banca CR Savigliano, (ii) 15 May 2013 with respect to Banca MCFVG; and (iii) 29 April 2013 with respect to CR Saluzzo, there has been no material adverse change in their respective financial or operative condition which would adversely affect the ability to observe and perform their respective obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which each of them is a party;

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

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

(i) it holds sole and unencumbered legal title to the Claims; 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;

(ii) the Claims, the Loans, the Mortgages and the Real Estate 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 (i) on compounding of interests, (ii) on consumer protection, (iii) on the prevention of usury, (iv) on data protection and privacy protection, and (v) provided by the Consolidated Banking Act; 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;

(iii) 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;

(iv) the sale of the Claims to the Issuer pursuant to the relevant Transfer Agreement will not affect the obligation of the related Borrower under the relevant Loans;

(v) the Claims constitute a portfolio of monetary claims, as a pool (*individuabili in blocco*), pursuant to Law 130, the Consolidated Banking Act and the implementation rules, and the Criteria identify such pool of monetary claims, with respect to the Borrowers, guarantors and third parties;

(vi) 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 and/or the Mortgages 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;

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

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

(ix) 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;

(x) each of the Real Estate Assets (i) is duly registered with the competent land registries (*Nuovo Catasto Edilizio Urbano, Nuovo Catasto Terreni, Ufficio del Registro* and *Ufficio delle Entrate*), (ii) complies with all applicable laws;

(xi) the Claims deriving from Mortgage Loan Agreements (provided that the relevant Mortgage has not been created on land (*terreno*)) are assisted by Real Estate Insurance Policies;

(xii) no Borrower, mortgagor and/or guarantor is (i) a public entity ("*pubblica amministrazione"* or *"ente pubblico"*); or (iii) a religious entity ("*ente ecclesiastico*");

(xiii) no Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the Guidelines of the European Central Bank issued on 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

(xiv) 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 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;

(xv) 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 20 March 2013, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral, as amended from time to time;

(xvi) all the Borrowers and guarantors, which are individuals, are resident in Italy;

(xvii) all the Borrowers and guarantors, which are entities (*persone giuridiche*), are incorporated under Italian law and have their registered office in Italy; and

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

UNDERTAKINGS OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each Originator has undertaken, with respect to itself, the relevant Claims and the respective Loans and the Mortgages securing them, *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 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 or guarantor 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 as provided in 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 eventual 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 good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Loans and the Mortgages;

(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, 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 and/or the Mortgages 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 and/or the guarantors or the validity of the Warranty and Indemnity Agreement and not to commence any action for the recovery of the Claims.

INDEMNITY

Under clause 5 of the Warranty and Indemnity Agreement, each of the Originator 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, *inter alia*:

(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 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 Real Estate 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 Transfer Agreement, free and clear of any adverse claim;

(d) any dispute, claim or defence of the Borrowers, the guarantors or the Insurance Companies related 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

The Issuer and the Originators agreed that, if the indemnities to be paid by the Originators under clause 5 of the Warranty and Indemnity Agreement are not paid within the term set out under clause 5.3 thereto, the Issuer will have the right to re-transfer to the relevant Originator, upon expiry of such term, and in accordance with article 1331 of the Italian civil code, the Claims to which the false or incorrect representation or warranty which gave rise to the indemnity right refers (the "**Affected Claims**"). The effectiveness of the re-transfer is subject to the payment by the relevant Originator of the purchase price of the Affected Claims (the "**Affected Claims Purchase Price**").

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 (lowered, after the First Payment Date, of an amount equal to the sum of the principal component of all the Instalments recovered with reference to the relevant Affected Claims from the Effective Date (included)) 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; 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 issued by the competent Chamber of Commerce stating, among others, that the relevant Originator is not subject to any bankruptcy proceeding, dated not before 10 (ten) days prior to the payment of the Affected Claims Purchase Price; (ii) a certificate of the bankruptcy court ("*tribunale civile – sezione fallimentare*") (save in case the issuance of such certificate is not allowed by the relevant bankruptcy court) confirming that the relevant Originator is not subject to any insolvency or similar proceedings, dated not before 10 (ten) days prior to the payment of the Affected Claims Purchase Price; and (iii) a solvency certificate signed by a legal representative duly authorized by the relevant Originator dated as of the date on which the relevant Affected Claims Purchase Price has been paid. Any and all costs, expenses and duties in relation to the re-transfer of the Affected Claims will be borne by the relevant Originator.

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 they 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 and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement, 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 and the Irish Listing Agent. Capitalised terms used in the description below, to the extent not defined in this Offering Circular, shall have the meanings ascribed to them in the Servicing Agreement and the Back-Up Servicing Agreement, as the case may be.

THE SERVICING AGREEMENT

On 6 June 2013, the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo (in such capacity, as the "**Servicers**"), entered into a servicing agreement, as subsequently amended, (the "**Servicing Agreement**"), pursuant to which each Servicer has agreed to administer and service the Portfolios on behalf of the Issuer and in particular to collect amounts due in respect thereof (the "**Administration of the Portfolios**") and to commence and pursue enforcement proceedings and to negotiate and settle the Claims in default (the "**Management of the Claims in Default**"). In particular Banca CR Savigliano has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 1, (ii) Banca MCFVG has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 2, and (iii) CR Saluzzo has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 3.

Pursuant to the Servicing Agreement, the Servicers are responsible for the receipt of cash collections in respect of the relevant Loan and related Claims and for cash and payment services pursuant to the Securitisation Law. Within the limits of article 2, paragraph 6-*bis*, of the Securitisation Law, the Servicers are also responsible for ensuring that such activities comply with the provisions and regulations of Italian law. The Servicers 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 shall provide, *inter alia*, the Issuer with Quarterly reports (the "**Quarterly Servicing Reports**"). 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 shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement.

All amounts collected from the Assigned Debtors shall be paid on the relevant Collections and Recoveries Accounts in accordance with the terms of the Servicing Agreement (all such collections the "**Collections**"). The Servicer will convert any non-cash Collections received by it into equivalent amounts of cash and will credit such cash to the relevant Collections and Recoveries Account.

Each of the Servicers will carry out its obligations under the Servicing Agreement in accordance with the relevant Collection Policy. This policy may be amended from time to time in accordance with the Servicing Agreement.

SETTLEMENT AGREEMENTS AND RENEGOTIATION AUTHORITY

The Servicer, in compliance with the Credit and Collection Policy and Recovery Procedures, to the extent of the provisions of clause 7 of the Servicing Agreement, will be entitled to carry out the activities substantially indicated herebelow. It being understood that the limits set out under clause 7 of the Servicing Agreement shall not apply with respect to:

(i) any activities imposed by any mandatory provisions of law,

(ii) any activities carried out pursuant to the New PMI Convention, or

(iii) any other activity, involving the suspension or the deferment of the payment of the principal quota of the Instalments, which might be mandatory for the relevant Originator in the future upon its adhesion to any other agreement or convention similar to the New PMI Convention; it being understood that the adhesion to such agreements or conventions shall be notified to the Rating Agencies by the relevant Originator;

it also being understood that:

(a) in case such agreements or conventions involve the suspension of payment of the principal quota of the Instalments, such suspension shall not cause the deferment of the date on which the payment of the principal quota of the single Instalment is due (i) for more than 18 (eighteen) months; or (ii) to a date later than 31 December 2038;

(b) in case such agreements or conventions involve a deferment causing the extension of the amortisation plan (including through the suspension of the payment of the principal quota of the single Instalments due, and in any case to the extent of what provided in paragraph (a) above), such deferment shall not be to a date later than 31 December 2038; and

(c) such agreements or conventions shall not, in any case, involve the renouncing by the relevant Servicer to amounts of principal due in relation to the Claims.

In relation to the Defaulted Claims ("*crediti in sofferenza*"), each Servicer, in case it is deemed necessary for the purpose of a more efficient administration of the collection procedures regarding the Claims, will be entitled to grant its consent to the partial release of the payments of the borrowers, renegotiate the terms of the Loan Agreements (including the interest rates) and enter into settlement agreements or agreements which grant deferments or suspensions of payments, without the prior written consent of the Representative of the Noteholders, provided that such transactions :

(i) do not involve the renouncing of a Defaulted Claim, or any amounts due with regard of such Defaulted Claim, for an amount higher than the 20% of the outstanding amount of the Claim as at the date of qualification of the same as a Defaulted Claim;

(ii) in case of deferments which involve the suspension of the payment of one or more Instalments, do not involve a deferment of the date on which the payment of the single Instalment or the full payment of a Defaulted Claim is due for more than 12 (twelve) months;

(iii) in case of deferments which involve an extension of the amortization plan (including through the suspension of the single Instalments due, and in any case to the extent of what provided in paragraph (ii) above) do not involve a deferment of the date on which the payment of the single instalment or the full payment of a Defaulted Claim is due for more than 36 (thirty-six) months,

being understood that:

A) in case the transactions contemplated by clause 7 of the Servicing Agreement exceed the limits of paragraph (i) above, the relevant Servicer will promptly indemnify the Issuer with respect to any amount not payable to the Issuer as a consequence of such transactions, directly crediting available funds on the relevant Collections and Recoveries Account (*Conto dell'Operazione*), and

B) the deferment indicated by paragraphs (ii) and (iii) above will be in no case after 31 December 2038.

Without prejudice to what provided for under item A) above, in case the transactions contemplated by clause 7 of the Servicing Agreement exceed the limits of paragraph (i), (ii) and (iii) above, each Servicer shall obtain the prior written consent of the Representative of the Noteholders in order to carry out such transactions. In order to obtain the consent of the Representative of the Noteholders in accordance with clause 7 of the Servicing Agreement, each Servicer undertakes to provide the documentation, information, and clarifications that the Representative of the Noteholders might reasonably require with respect to the Claims, the Loan Agreements, and the Mortgages and to make the staff which is in charge of the relevant activity available.

With regard to the Claims which are different from the Defaulted Claims, each Servicer will be entitled to renegotiate the terms of the Loan Agreements with regard to the applicable interest rate and to the amortization plan and to proceed with restrictions or reductions of the Mortgages provided that:

(i) in case of renegotiations related to the amortization plans, such transactions do not involve a deferment of the date on which the payment of the single Instalment is due, or the full payment of a Claim is due, for longer than 5 (five) years, it being understood that in no case such deferment should be (A) subsequent to 31 December 2038 and (B) regard Claims whose aggregate outstanding amount as at the Effective Date (i) is higher than 15% of the aggregate amount outstanding of all Claims as at the Effective Date and (ii) added to the renegotiations of paragraph 7.1.2 (iii) of the Servicing Agreement, is higher than 20% of the outstanding amount of all Claims as at the Effective Date;

(ii) in case of restrictions or reductions of the Mortgages, the ratio (as at the date on which the restriction or reduction of the relevant Mortgage has been carried out) between (X) the relevant original Mortgage value and (Y) the outstanding amount of the Claim secured by such Mortgage, is equal to at least 150%; and

(iii) in case of renegotiations of the interest rates, such transactions, which can be carried out only once with regard to each Loan Agreement, regard only the reduction of the spread (for Claims deriving from Loan Agreements with floating rates), or the interest rate (for Claims deriving from Loan Agreements with fixed rates) and (a) do not have as object, also considering the renegotiations pursuant to paragraph 7.1.2 (i) of the Servicing Agreement, an amount of Claims whose aggregate outstanding amount as at the Effective Date is higher than 20% of the outstanding amount of all Claims of the relevant Portfolio as at the Effective Date and (b) do not involve a reduction of the annual spread or of the fixed annual interest rate applicable to each Claim for an amount higher than 50 bps.

It being understood that, with respect to the Claims whose Loan Agreements have been renegotiated pursuant to both paragraph 7.1.2(iii) and paragraph 7.1.2(i), the relevant renegotiation activities shall be compliant with the limits set out under each of clauses 7.1.2(iii)(A) and 7.1.2(i)(B)(2).

Without prejudice to what provided by clause 7.1.2 of the Servicing Agreement, in relation to the eventual renegotiation of the terms of the Loan Agreements classified as in "*bonis*" in accordance with Bank of Italy regulations (*istruzioni di vigilanza*), the Servicer will not be entitled to grant any suspension, but will solely have the possibility to the extend the relevant amortization plan, save for (i) any activities imposed by any mandatory provisions of law, (ii) any activities carried out pursuant to the New PMI Convention, or (iii) any other activity which might be mandatory for the relevant Originator in the future upon its adhesion to any other agreement or convention similar to the New PMI Convention, without prejudice to the limits set out under clause 7.1(i), (ii) and (iii) of the Servicing Agreement.

In order to consent each Originator to keep good relationships with the Borrowers, each Originator has been given the power to make offers to repurchase the relevant Claims assigned by it pursuant to the relevant Transfer Agreement, whose outstanding amount as of the Effective Date plus the outstanding amount of the Claims object of other preceding offers of the same Originator already

accepted by the Issuer is not higher than the 20% of the outstanding amount of all Claims as of the Effective Date.

Pursuant to the Servicing Agreement, each Originator shall deliver to the Issuer, together with the offer notice of repurchase of the Claims, (i) a certificate issued by the competent Chamber of Commerce stating, among others, that the relevant Originator is not subject to any bankruptcy proceeding, dated not before 10 (ten) days prior to the date of offer notice of repurchase of the Claims and (ii) a certificate of good standing signed by its legal representative having the date of the offer notice of repurchase of the Claims.

INFORMATION TECHNOLOGY

Each of the Servicers is authorised to delegate to its Information Technology Services Provider all data processing, information storage and retrieval, back-up and archive services for the Administration of the Portfolio and the Management of the Claims in Default with respect to the Relevant Portfolio. Each of the Servicers will remain directly liable for the performance of all duties and obligations delegated to its Information Technology Services Provider and will be liable for the conduct of such Information Technology Services Provider. All fees, costs and expenses to be paid or reimbursed to its Information Technology Services Provider shall be borne by the relevant Servicer and the Issuer shall not be liable for any payment of whatever nature to its Information Technology Services Provider. Each of the Servicers may terminate the appointment of the Information Technology Services Provider and internalize such activity or appoint a suitable replacement information technology services provider which is an Authorised Company, provided that (i) the service will be granted without interruption because of such replacement and (ii) such replacement will be communicated to the Rating Agencies and the Representative of the Noteholders.

FEES AND EXPENSES

As consideration for the services provided by the Servicers, the Issuer will pay to each of the Servicers on each Payment Date, in accordance with the applicable Order of Priority, an amount equal to 0.15% (zero point fifteen per cent) *per amnum* of the outstanding amount of the Claims of the Relevant Portfolio at the end of the immediately preceding Collection Period (the "**Servicing Fees**").

As regards the activity carried out in accordance with the Servicing Agreement, the Servicing Fees shall be considered as inclusive of the expenses and fees of external counsels and the judicial expenses (including taxes) incurred by the relevant Servicer.

Each of the Servicer has expressly waived its rights to set-off that may be provided for by law other than the Servicing Fees. It has also expressly waived its right to exercise any right to off-set the amounts due to it from the Issuer against the Collections or any other amount owed by the Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

UNDERTAKINGS OF EACH OF THE SERVICERS

Each of the Servicers has undertaken, with respect to the Claims of the Portfolio which it has been appointed to service, *inter alia*:

(i) to carry out the Administration of the Relevant Portfolio and the Management of the Claims in Default with due skill and care in accordance with the relevant Collection Policy and with all applicable laws and regulations;

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

(iii) save as otherwise provided in the Collection Policy 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;

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

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

(vi) to comply with all authorisations, approvals, licenses and consents required for the fulfillment of its obligations under the Servicing Agreement.

Each of the Servicers has undertaken to monitor the relevant insurance policies covering the risks related to the Real Estate Assets and to act so as to maintain such insurance policies, as valid, effective and binding until the Claim guaranteed by the Real Estate Assets has been fully paid up by the relevant Borrower.

The Servicers undertake to cooperate, for a reasonable period of time, with the Back-Up Servicer and to make available to it any resource belonging to, or service carried out, in its internal departments 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 case of a material breach by the Servicers of their obligations under the Servicing Agreement with respect to the Administration of the Portfolios and/or the Management of the Claims in Default, 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 to cause them to be performed by third parties in the name and on behalf of the Servicers.

TERMINATION OF APPOINTMENT

The Issuer may terminate the appointment of one or more Servicer in certain circumstances including, *inter alia*, (i) the insolvency of such Servicer, (iii) a breach of the Servicing Agreement, which remains unremedied for a period longer than 10 (ten) days after a written request to comply with its obligations from the Issuer and/or the Representative of the Noteholders (in the name and on behalf of the Issuer); and (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 4 (four) days after the relevant due date of payment. In addition, each of the Servicer may resign at any time after 24 (twenty-four) months from the stipulation date of the Servicing Agreement upon giving 12 (twelve) months prior written notice. It is agreed that the termination of the relevant Servicer shall become effective only upon the Substitute Servicer or the Back-Up Servicer taking over the activities to be performed under the Servicing Agreement by such Servicer.

In case an insolvency event occurs in respect of any of the Originators (or in case of merger among two or all the Originators) or in any other circumstance indicated in clause 9.1.3.1 of the Servicing Agreement, by and not later than 30 Business Days of the assessment of the occurrence of such a circumstance, the Issuer, with the cooperation of the Corporate Services Provider and the Back-Up Servicer Facilitator, shall appoint a back-up servicer different from Banca CR Savigliano, Banca MCFVG and CR Saluzzo (the "**External Back-Up Servicer**") which shall replace the Servicers in case of its substitution pursuant to article 9 of the Servicing Agreement on the same terms and conditions as specified in the Servicing Agreement.

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 and all non contractual obligations arising out or in connection with the Servicing Agreement, 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 entered into on or prior to the Issue Date among the Issuer, the Servicers and the Back-Up Servicers, the Issuer has appointed the Back-Up Servicers to act as substitute of the Servicers in the event indicated in the such agreement (in particular, (i) CR Saluzzo (firstly) and Banca MCFVG (secondly) will act as substitute of Banca CR Savigliano as servicer; (ii) Banca CR Savigliano (firstly) and Banca MCFVG (secondly) will act as substitute of CR Saluzzo as servicer; and (iii) Banca CR Savigliano (firstly) and CR Saluzzo (secondly) will act as substitute of Banca MCFVG as servicer (the "**Back-Up 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 and all non contractual obligations arising out or in connection with the Back-Up Servicing Agreement, 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 and the Irish Listing Agent. 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 or prior to the Issue Date between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**"), the Corporate Services Provider will provide the Issuer with certain corporate administration and management services. These services will 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 parties to the Corporate Services Agreement have also agreed to share certain costs and expenses of the Issuer arising in the context of the Transaction.

The Corporate Services Agreement is in Italian. 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 and all non contractual obligations arising out or in connection with the Corporate Services Agreement, 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**"), among 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.

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 and all non contractual obligations arising out or in connection with the Intercreditor Agreement the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE DEED OF PLEDGE

Under a deed of pledge to be entered into on or prior to the Issue Date (the "**Deed of Pledge**") among the Issuer, the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the "**Pledgees**"), the Issuer will grant the Pledgees as security for its obligations under the Transaction Documents (i) a pledge over all the monetary contractual claims arising from certain

Transaction Documents (other than the Deed of Pledge, the issue price under the Notes Subscription Agreement and the positive balance of the Accounts); and (ii) a pledge over the positive balance of the Accounts (other than the Quota Capital Account and the Accounts opened outside of Italy to the extent provided for by the Deed of Pledge).

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 and all non contractual obligations arising out or in connection with the Deed of Pledge 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 among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Irish Listing Agent, the Corporate Services Provider, the Servicers, the English Account Bank, the Italian Account Bank, the Agent Bank, the Computation Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager and the Representative of the Noteholders (the "**Cash Administration and Agency Agreement**"):

(a) each of the Paying Agents will perform certain services in relation to the Notes, including (i) arranging for the payment of principal and interest to the Monte Titoli Account Holders; and (ii) notify to Monte Titoli, on the basis of the information provided in the payments report, the amount of interest payable on the Notes on each Payment Date;

(b) the Agent Bank will calculate the amount of interest payable on the Notes in respect of each Interest Period;

(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 Listing Agent will procure certain services in relation to the listing of the Class A Notes; and

(e) the Cash Manager, the Italian Account Bank and the English Account Bank 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 and all non contractual obligations arising out or in connection with the Cash Administration and Agency Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

Utilisation of the Cash Reserves

Pursuant to clause 14 of the Cash Administration and Agency Agreement,

1. on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and the CR Saluzzo Cash Reserve shall be utilised (as calculated by the Computation Agent):

   (A) firstly, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the relevant Single Interest Shortfall. In particular, each Relevant Cash Reserve shall be utilised for an amount equal to the lower of:

      (i) the relevant Single Interest Shortfall as at the Calculation Date immediately preceding such Payment Date; and

      (ii) the Relevant Cash Reserve Available Amount as at such Payment Date; and

   (B) thereafter (to the extent available after utilisation under item (A)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall. In particular, if, on any Payment Date before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, with respect to an Originator, the difference between:

      (i) the relevant Single Interest Shortfall as at such Payment Date; and

      (ii) the Relevant Cash Reserve Available Amount of the relevant Originator,

   is positive (such difference, the "**Relevant Cash Reserve Uncovered Amount**"), the Cash Reserves of the other Originators shall be utilised to provide support to such Relevant Portfolio. Each of the Cash Reserve of the other Originators shall be utilised (as calculated by the Computation Agent) for an amount equal to the lower of:

      (x) the product between (A) the Relevant Cash Reserve Available Amount (calculated by deducting the amount of the Cash Reserve of such Originator which shall be utilised on such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions) as at such Payment Date and (B) the Relevant Cash Reserve Individual Proportion calculated with reference to such Payment Date; and

      (y) the Relevant Cash Reserve Available Amount as at such Payment Date (calculated by deducting the amount of the Cash Reserve of such Originator which shall be utilised on such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions); and

2. on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Class A Notes, each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and the CR Saluzzo Cash Reserve shall be utilised for an amount equal to the lower of:

   (x) the product between (A) the Relevant Cash Reserve Available Amount as at such Payment Date and (B) the Relevant Cash Reserve Individual Proportion calculated with reference to such Payment Date; and

   (y) the Relevant Cash Reserve Available Amount as at such Payment Date.

"**Relevant Cash Reserve Available Amount**" means, with respect to any Payment Date and each Originator:

(i) in relation to payments under clause 14.1(A) and 14.2 of the Cash Administration and Agency Agreement, (a) with respect to the First Payment Date, the amount standing to the credit of the Relevant Cash Reserve SubAccount on the Issue Date; and (b) with respect to any Payment Date thereafter, the lower of (i) the amount standing to the credit of the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve SubAccount in accordance with the applicable Order of Priority) and (ii) the Target Cash Reserve Amount on such Payment Date;

(ii) in relation to payments under clause 14.1(B) of the Cash Administration and Agency Agreement, the difference, if positive, between (a) the amount indicated under item (i) above, and (b) any payments made under clause 14.1(A) of the Cash Administration and Agency Agreement.

"**Relevant Cash Reserve Individual Proportion**" means:

(i) on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

   (x) the sum of the Relevant Cash Reserve Uncovered Amount related to all the Originators; and

   (y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date (calculated by deducting the amount of the relevant Cash Reserve of each Originator which shall be utilised at such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions);

(ii) on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

   (x) the Interest Shortfall calculated as at the Calculation Date immediately preceding such Payment Date; and

   (y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date.

THE NOTES SUBSCRIPTION AGREEMENT

Pursuant to a subscription agreement entered into on or prior the Issue Date among the Issuer, the Representative of the Noteholders, the Co-Arrangers and the Originators (the "**Notes Subscription Agreement**"), Banca CR Savigliano, Banca MCFVG and CR Saluzzo 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 will be in English language and governed by and construed in accordance with Italian law.

THE DEED OF CHARGE

Under the terms of a deed of charge executed by the Issuer on or prior to the Issue Date (the "**Deed of Charge**" and together with the Deed of Pledge, the "**Security Documents**"), the Issuer will assign and charge in favour of the Security Trustee for itself, the Noteholders and the Other Issuer Creditors all the amounts and securities from time to time standing to the credit of the Payments Account, the Investment Accounts, Detrimental Reserve Account, Single Portfolio Detrimental Reserve Accounts,

Principal Amortisation Reserve Accounts, the Cash Reserve Accounts and the Securities Accounts and any other future accounts which the Issuer may open in England and Wales pursuant to the Deed of Charge.

The Deed of Charge is in English and will be governed by and 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, the Originators 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 and all non contractual obligations arising out or in connection with the Agreement between the Issuer and the Quotaholder, the Parties shall submit to the exclusive jurisdiction of the Courts of Milan, Italy.

THE STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to a stichting corporate services agreement entered into on or prior to the Issue Date (the "**Stichting Corporate Services Agreement**") between the Issuer, Wilmington Trust SP Services (London) Limited (the "**Stichting Corporate Services Provider**") and Stichting Dean, the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to Stichting Dean.

The Stichting Corporate Services Agreement will be governed by and construed in accordance with the laws of The Netherlands.

WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

Under the Conditions, the Final Maturity Date of the Notes is the Payment Date falling on 11 November 2048 and the Notes will be subject to mandatory redemption in full or in part on the Payment Date falling on 11 November 2013 and on each Payment Date falling thereafter to the extent that on such Payment Date the Issuer has sufficient available funds to be applied for this purpose in accordance with the applicable Order of Priority. The Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average life of the Class A Notes on the basis of various assumptions regarding annual prepayment rates and certain other factors as indicated below.

The following assumptions, *inter alia*, have been made:

- the Issuer will not exercise its option to redeem the Notes on the Clean-Up Date pursuant to Condition 6.4 (*Optional Redemption*);
- there are no delinquencies or defaults occurred in respect of the Portfolios;
- no Trigger Event has occurred in respect of the Notes;
- no Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes;
- the constant prepayment rate, as per the table below, has been applied to each Relevant Portfolio in homogeneous terms:

CONSTANT PREPAYMENT RATE (% *PER ANNUM*)	**CLASS A NOTES**	
	Expected Average Life *(years)*	**Expected Maturity**
0%	2.78	November 2019
3%	2.38	February 2019
5%	2.18	August 2018

The base case assumption above reflects the current expectations of the Issuer but no assurance can be given that the redemption of the Class A 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 Class A 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 or a Class B Note or to a Class A Noteholder or a Class B Noteholder are to the ultimate owners of the Class A Notes and the Class B Notes issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and Resolution dated 22 February 2008 jointly issued by the Commissione Nazionale per le Societá e la Borsa ("**CONSOB**") and the Bank of Italy, as amended from time to time. 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; (ii) any Other Issuer Creditor include references to any successors thereto appointed in accordance with the terms of the relevant Transaction Document (to the extent provided therein) and any of its respective assignees or successors 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 Transaction Documents or to which under such laws the same have been transferred; and (iii) 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 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 (the "**Class A Notes**"), the Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 (the "**Class B1 Notes**"), the Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 (the "**Class B2 Notes**") and the Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 (the "**Class B3 Notes**" and together with the Class B1Notes and the Class B2 Notes, the "**Class B Notes**" and together with the Class A Notes, the "**Notes**"), are issued by Alchera SPV S.r.l. (the "**Issuer**") on 27 June 2013 (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase of portfolios of monetary claims and connected rights arising under mortgage and unsecured loans (collectively the "**Portfolios**" and each of them also a "**Portfolio**" and the "**Claims**", respectively) from Banca Cassa di Risparmio di Savigliano S.p.A. ("**Banca CR Savigliano**"), Banca Mediocredito del Friuli Venezia Giulia S.p.A. ("**Banca MCFVG**") and Cassa di Risparmio di Saluzzo S.p.A. ("**CR Saluzzo**" and, together with Banca CR Savigliano and Banca MCFVG, 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 three transfer agreements entered into on 6 June 2013, each between the Issuer and each Originator (each a "**Transfer Agreement**" and, collectively, the "**Transfer Agreements**"). Representations and warranties in respect of the Portfolios have been made by the Originators in favour of the Issuer under a warranty and indemnity agreement entered into between the Issuer and the Originators on 6 June 2013 (as subsequently amended) (the "**Warranty and Indemnity Agreement**"). In these Conditions, references to the "**Class A Noteholders**" are to the beneficial owners of the Class A Notes, 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 Class A Notes and the Class B Notes.

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 rights, 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 rights, title and interest in and to the Portfolios 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 6 June 2013, as subsequently amended, (the "**Servicing Agreement**") among the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo, (in such capacity, collectively, the "**Servicers**"), (i) Banca CR Savigliano has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 1, (ii) Banca MCFVG has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 2, and (iii) CR Saluzzo has agreed to provide the Issuer with administration, collection and recovery services in respect of Portfolio No. 3. Each of the Servicers shall verify that the payment services to be provided in relation to the Transaction comply with Italian law.

Under a back-up servicing agreement entered into on or prior the Issue Date between the Issuer and Banca CR Savigliano, Banca MCFVG and CR Saluzzo (in their quality as Servicers and Back-Up Servicers), the Issuer has appointed Banca CR Savigliano, Banca MCFVG and CR Saluzzo to act as substitute of the Servicers in the event indicated in the such agreement (in particular, (i) CR Saluzzo (firstly) and Banca MCFVG (secondly) will act as substitute of Banca CR Savigliano as servicer; (ii) Banca CR Savigliano (firstly) and Banca MCFVG (secondly) will act as substitute of CR Saluzzo as servicer; and (iii) Banca CR Savigliano (firstly) and CR Saluzzo (secondly) will act as substitute of Banca MCFVG as servicer (the "**Back-Up Servicing Agreement**").

Under a corporate services agreement entered into on or prior to the Issue Date (the "**Corporate Services Agreement**") between the Issuer and Accounting Partners S.r.l. as corporate services provider (the "**Corporate Services Provider**") the Corporate Services Provider shall provide the Issuer with certain corporate administration services.

Under a notes subscription agreement to be entered into on or prior to the Issue Date among the Issuer, the Subscribers, the Representative of the Noteholders and the Co-Arrangers (the "**Notes Subscription Agreement**"), (i) Banca CR Savigliano, Banca MCFVG and CR Saluzzo shall subscribe and pay for the Class A Notes; (ii) Banca CR Savigliano shall subscribe and pay for the Class B1 Notes, Banca MCFVG shall subscribe and pay for the Class B2 Notes, and CR Saluzzo shall subscribe and pay for the Class B3 Notes and (iii) each of the Subscribers shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

Under a cash administration and agency agreement to be entered into on or prior to the Issue Date (the "**Cash Administration and Agency Agreement**") among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Servicers, the Corporate Services Provider, Accounting Partners S.r.l. as representative of the Noteholders and computation agent (the "**Representative of the Noteholders**" and the "**Computation Agent**"), Citibank N.A., London Branch as principal paying agent, English account bank, cash manager and agent bank (the "**Principal Paying Agent**", the "**English Account Bank**", the "**Cash Manager**" and the "**Agent Bank**"), Citibank N.A., Milan Branch as Italian account bank and local paying agent (the "**Italian Account Bank**" and the "**Local Paying Agent**"), Investec Capital & Investments (Ireland) Limited as Irish listing agent (the "**Irish Listing Agent**"): (i) each of the Paying Agents has agreed to perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders and notify to Monte Titoli, on the basis of the information provided in the Payments Report, the amount of interest payable on the Notes in respect of each Interest Period; (ii) the Agent Bank has agreed to calculate the amount of interest payable on the Notes in respect of each Interest Period; (iii)

the Computation Agent has agreed to provide the Issuer with other calculations in respect of the Notes and to set out, in a payment report, the payments due to be made under the Notes on each Payment Date; (iv) the Irish Listing Agent has agreed to procure certain services in relation to the listing of the Class A Notes; and (v) the Cash Manager, the English Account Bank and the Italian Account Bank have agreed to provide, inter alia, respectively certain cash administration and investment services, in respect of the amounts standing, from time to time, to the credit of the Accounts.

Under a deed of pledge to be entered into on or prior to the Issue Date (the "**Deed of Pledge**") between the Issuer, the Noteholders and the Other Issuer Creditors (the Noteholders and the Other Issuer Creditors, acting through the Representative of the Noteholders (the "**Pledgees**"), the Issuer will grant the Pledgees as security for its obligations under the Transaction Documents (i) a pledge over all the monetary contractual claims arising from certain Transaction Documents; and (ii) a pledge over the positive balance of the Accounts (other than the Quota Capital Account and the Accounts opened outside of Italy to the extent provided for by the Deed of Pledge).

Under an intercreditor agreement to be entered into on or prior to the Issue Date (the "**Intercreditor Agreement**") among the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Services Provider, the Security Trustee, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Computation Agent, the Servicers, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Stichting Corporate Services Provider, the Back-Up Servicers, the Back-Up Servicer Facilitator and the Subscribers, the Originators, the application of the Single Portfolio Available Funds and the Issuer Available Funds (each as defined below) will be set out. The Representative of the Noteholders will be 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.

Under a deed of charge governed by English law to be entered into on or prior to the Issue Date (the "**Deed of Charge**"), the Issuer will assign and charge in favour of the Security Trustee for itself, the Noteholders and the Other Issuer Creditors all the amounts and securities from time to time standing to the credit of the Payments Account, the Investment Accounts, Detrimental Reserve Account, Single Portfolio Detrimental Reserve Accounts, Principal Amortisation Reserve Accounts, the Cash Reserve Accounts and the Securities Accounts and any other future accounts which the Issuer may open in England and Wales pursuant to the Deed of Charge.

Under an agreement to be entered into on or prior to the Issue Date between the Issuer, the Originators, the Representative of the Noteholders and Stichting Dean as quotaholder (the "**Quotaholder**"), certain rules will be set out in relation to the corporate management of the Issuer (the "**Agreement between the Issuer and the Quotaholder**").

Under a stichting corporate services agreement entered into on or about the Issue Date (the "**Stichting Corporate Services Agreement**") between the Issuer, Wilmington Trust SP Services (London) Limited (the "**Stichting Corporate Services Provider**"), and the Quotaholder, the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholder.

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 Intercreditor Agreement, the Corporate Services Agreement, the Notes Subscription Agreement, the Stichting Corporate Services Agreement, the Cash Administration and Agency Agreement, the Back-Up Servicing 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 and to the Irish Listing Agent.

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**" means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Accounts**" means collectively the Payments Account, the Collections and Recoveries Accounts, the Cash Reserve Accounts, the Investment Accounts, the Securities Accounts (if any), the Principal Amortisation Reserve Accounts (if any), the Detrimental Reserve Account (if any), the Single Portfolio Detrimental Reserve Accounts (if any) and the Quota Capital Account; and "**Account**" means any of them.

"**Additional Cash Reserve**" means the aggregate of the CR Savigliano Additional Cash Reserve, the Banca MCFVG Additional Cash Reserve and CR Saluzzo Additional Cash Reserve.

"**Additional Reserve SubAccounts**" means collectively the Banca MCFVG Additional Reserve SubAccount, the CR Saluzzo Additional Reserve SubAccount and the Banca CR Savigliano Additional Reserve SubAccount.

"**Agent Bank**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Agents**" means the Irish Listing Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Computation Agent, the Italian Account Bank and the English Account Bank, collectively; and "**Agent**" means any of them.

"**Agreement between the Issuer and the Quotaholder**" means the agreement to be entered into between the Issuer, the Originators, the Representative of the Noteholders and the Quotaholder.

"**Arrear Claim**" means any Claim, other than a Defaulted Claim, in respect of which there are at least one Instalments due but unpaid for more than 30 (thirty) days.

"**Arrear Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the Outstanding Balance of all Claims which are Late Payments 90 Claims as at the immediately preceding Calculation Date, and (ii) the Outstanding Principal of the Claims (excluding the Defaulted Claims) at the immediately preceding Calculation Date.

"**Article 122-*bis***" means the article 122-*bis* of the Capital Requirements Directive.

"**Authorised Company**" means any company (i) whose management has at least 5 years prior

experience in the activities which any of the Servicers intends to entrust to such company, (ii) employs a software which would empower it to fulfil the obligations deriving from its appointment without interruption (iii) has the ability to perform such activities with results equal to those required by the relevant Servicers under the Servicing Agreement.

"**Back-Up Servicers**" means:

(i) with respect to Banca CR Savigliano, CR Saluzzo, or, should the event under clause 2.3(b) of the Back-up Servicing Agreement occur, Banca MCFVG;

(ii) with respect to CR Saluzzo, Banca CR Savigliano, or, should the event under clause 2.3(a) of the Back-up Servicing Agreement occur, Banca MCFVG;

(iii) with respect to Banca MCFVG, Banca CR Savigliano, or, should the event under clause 2.1(b) of the Back-up Servicing Agreement occur, CR Saluzzo; or

(iv) the External Back-up Servicer,

or any other person from time to time acting as Back-Up Servicer.

"**Banca CR Savigliano**" means Cassa di Risparmio di Savigliano S.p.A.

"**Banca CR Savigliano Additional Cash Reserve**", means the monies standing from time to time to the credit of the CR Savigliano Additional Reserve SubAccount at any given date.

"**Banca CR Savigliano Cash Reserve**", means with respect to Banca CR Savigliano the monies standing from time to time to the credit of the Banca CR Savigliano Cash Reserve SubAccount at any given date.

"**Banca CR Savigliano Cash Reserve Account**" means the account divided in two subaccounts (respectively, the "**Banca CR Savigliano Cash Reserve SubAccount**" and the "**Banca CR Savigliano Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Banca CR Savigliano Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Banca CR Savigliano Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Banca CR Savigliano Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**Banca CR Savigliano Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the Banca CR Savigliano Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**Banca CR Savigliano Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the Banca CR Savigliano Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca CR Savigliano Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca CR Savigliano Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**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*, and the proceedings as set forth by article 182-*bis* of the Bankruptcy Law.

"**Banca MCFVG**" means Banca Mediocredito del Friuli Venezia Giulia S.p.A.

"Banca MCFVG Additional Cash Reserve" means the monies standing from time to time to the credit of the Banca MCFVG Additional Reserve SubAccount at any given date.

"**Banca MCFVG Cash Reserve**", means with respect to Banca MCFVG the monies standing from time to time to the credit of the Banca MCFVG Cash Reserve SubAccount at any given date.

"**Banca MCFVG Cash Reserve Account**" means the account divided in two subaccounts (respectively, the "**Banca MCFVG Cash Reserve SubAccount**" and the "**Banca MCFVG Additional Reserve SubAccount**") opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Banca MCFVG Cash Reserve Amortisation Amount**" means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Banca MCFVG Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Banca MCFVG Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**Banca MCFVG Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the Banca MCFVG Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**Banca MCFVG Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding, *provided that* the Banca MCFVG Target Additional Cash Reserve Amount will be

equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Banca MCFVG Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the Banca MCFVG Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Borrower**" means the debtors under the Claims and their transferors, assignees and successors.

"**Business Day**" means any day on which banks are open for business in Dublin, Milan and London on which the Trans-European Automated Real Time Gross Transfer System (TARGET 2) (or any successor thereto) is open.

"**Calculation Date**" means the date falling on the 3rd day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

"**Capital Requirements Directive**" or "**CRD**" means the 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.

"**Cash Administration and Agency Agreement**" means the cash administration and agency agreement to be entered into on or prior to the Issue Date among, *inter alios*, the Issuer, the Originators, the Back-Up Servicers, the Security Trustee, the Irish Listing Agent, the Corporate Services Provider, the Servicers, the English Account Bank, the Italian Account Bank, the Computation Agent, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank and the Representative of the Noteholders.

"**Cash Manager**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Cash Reserve**" means the aggregate of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and the CR Saluzzo Cash Reserve.

"**Cash Reserve Accounts**" means collectively, the Banca CR Savigliano Cash Reserve Account, the Banca MCFVG Cash Reserve Account and the CR Saluzzo Cash Reserve Account and "**Cash Reserve Account**" means any of them.

"**Cash Reserve Amortisation Amount**" means each or all of the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**" and the "**CR Saluzzo Cash Reserve Amortisation Amount**, as the context requires.

"**Cash Reserve Deficiency Amount**" means with respect to a Payment Date on which a Second Single Portfolio Detrimental Event has occurred and with respect to such Portfolio, the difference, if positive, between:

(i) the Relevant Global Target Cash Reserve Amount (calculated taking into account any amount to be paid into and out of the Relevant Cash Reserve SubAccount and the Relevant Additional Reserve SubAccount on such Payment Date) with respect to such Portfolio in espect of which a Second Single Portfolio Detrimental Event has occurred; and

(ii) the amount standing on such Payment Date to the credit of the Relevant Cash Reserve SubAccount and the Relevant Additional Reserve SubAccount of such Portfolio (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

"**Cash Reserve Release Conditions**" means, with reference to any Payment Date on which the Pre-Acceleration Order of Priority applies, the following events: (a) the Disequilibrium Event has not occurred; (b) the Detrimental Event has not occurred; (c) the First Single Portfolio Detrimental Event has not occurred; (d) the Second Single Portfolio Detrimental Event has not occurred; (e) no Trigger Event nor Cross Collateral Event has occurred; (f) the Arrear Ratio does not exceed 7% (seven per cent) for three consecutive Payment Dates; (h) the balance of the Relevant Cash Reserve Account as of the immediately preceding Payment Date was equal to the Relevant Global Target Cash Reserve Amount.

"**Cash Reserve Excess**" means each or all of the Banca CR Savigliano Cash Reserve Excess, the Banca MCFVG Cash Reserve Excess and the CR Saluzzo Cash Reserve Excess, as the context requires.

"**Cash Reserve SubAccounts**" means collectively the Banca MCFVG Cash Reserve SubAccount, the CR Saluzzo Cash Reserve SubAccount and the Banca CR Savigliano Cash Reserve SubAccount.

"**Claims**" means the monetary receivables and connected rights arising under the Loans and the relevant Insurance Policies.

"**Class**" means the Class A Notes or the Class B Notes as the case may be.

"**Class A Margin**" means 0.4% *per annum.*

"**Class A Noteholders**" means the holder(s) of the Class A Notes.

"**Class A Notes**" means the Euro 419,000,000 Class A Asset Backed Floating Rate Notes due November 2048 issued by the Issuer.

"**Class A Notes Principal Payment Amount**" means with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts.

"**Class B Noteholders**" means the holder(s) of the Class B Notes.

"**Class B Notes**" means, collectively, (i) the Euro 89,400,000 Class B1 Asset Backed Floating Rate Notes due November 2048 issued by the Issuer; (ii) the Euro 64,560,000 Class B2 Asset Backed Floating Rate Notes due November 2048 issued by the Issuer, and (iii) the Euro 86,490,000 Class B3 Asset Backed Floating Rate Notes due November 2048 issued by the Issuer.

"**Clean-Up Date**" means the Payment Date falling in August 2017.

"**Clearstream**" means Clearstream Banking, Société Anonyme.

“**Co-Arrangers**” means A & F S.A. and Eidos Partners S.r.l..

“**Collection Date**” means 31 March, 30 June, 30 September and 31 December of each year. The First Collection Date means 30 September 2013.

“**Collection Period**” means each period starting on a Collection Date (but excluding) and ending on the following Collection Date (and including), save for the First Collection Period that will start on the Effective Date (included) and ending on the First Collection Date (included).

“**Collection Policy**” means, with respect to the Servicers, the collection policy applied by the Servicers in relation to the Portfolios.

“**Collections**” means all the amounts collected and/or recovered under the Claims on or after the Transfer Date and any amount received by the Issuer from the Servicers pursuant to the Servicing Agreement.

“**Collections and Recoveries Accounts**” means the three accounts opened by the Issuer with the Italian Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose, and which shall be opened only with an Eligible Institution.

“**Computation Agent**” means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

“**Conditions**” means the terms and conditions of the Class A Notes and of the Class B Notes and references to any “**Condition**” are references to such Condition in the specified terms and conditions if specified, or otherwise in any terms and conditions.

“**CONSOB”** means the *Commissione Nazionale per le Società e la Borsa;*

“**Consolidated Banking Act**” means Legislative Decree No. 385 of 1 September 1993 as subsequently amended.

“**Corporate Services Provider**” means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

“**Corporate Services Agreement**” means the corporate services agreement to be entered into on or prior to the Issue Date between the Issuer and the Corporate Services Provider.

“**CR Saluzzo**” means Cassa di Risparmio di Saluzzo S.p.A.

“**CR Saluzzo Additional Cash Reserve**” means the monies standing from time to time to the credit of the CR Saluzzo Additional Reserve SubAccount at any given date.

“**CR Saluzzo Cash Reserve**” means with respect to CR Saluzzo the monies standing from time to time to the credit of the CR Saluzzo Cash Reserve SubAccount at any given date

“**CR Saluzzo Cash Reserve Account**” means the account divided in two subaccounts (respectively the “**CR Saluzzo Cash Reserve SubAccount**” and the “**CR Saluzzo Additional Reserve SubAccount**”) opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

“**CR Saluzzo Cash Reserve Amortisation Amount**” means in respect to any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference

to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each CR Saluzzo Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the CR Saluzzo Target Cash Reserve Amount applicable to the immediately following Payment Date.

"**CR Saluzzo Cash Reserve Excess**" means, with respect to the Payment Date on which all the Class A Notes are redeemed in full, the amount standing to the credit of the CR Saluzzo Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption).

"**CR Saluzzo Target Additional Cash Reserve Amount**" means in respect to any Payment Date an amount equal to 2% of the Single Portfolio Initial Class A Notes Principal Amount Outstanding *provided that* the CR Saluzzo Target Additional Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**CR Saluzzo Target Cash Reserve Amount**" means, in respect to any Payment Date, an amount equal to:

1. (i) if the aggregate Principal Amount Outstanding of the Class A Notes (before payments to be made on such Payment Date in accordance with the applicable Order of Priority) is higher than 50% of the Initial Principal Amount Outstanding of the Class A Notes or (ii) if any of the Cash Reserve Release Conditions is not met on such Payment Date, an amount equal to 2% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding;

2. otherwise, an amount equal to the higher of (a) 2% of the relevant Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Order of Priority); and (b) an amount equal to 1% of the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding,

provided that the CR Saluzzo Target Cash Reserve Amount will be equal to 0 (zero) on the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter).

"**Criteria**" means collectively the General Criteria and the Specific Criteria.

"**Cross Collateral Event**" has the meaning ascribed to it in Condition 10 (*Cross Collateral Events*).

"**Cross Collateral Notice**" has the meaning ascribed to it in Condition 10 (*Cross Collateral Events*).

"**Cross Collateral Order of Priority**" has the meaning ascribed to it in Condition 4.7 (*Cross Collateral Order of Priority*).

"**Cumulative Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 5%.

"**Custody Terms and Conditions**" means the terms and conditions of the custody agreement, which will apply in respect of custody services relating to the Eligible Investments (being securities) to be deposited on the Securities Accounts.

"**DBRS**" means DBRS Ratings Limited.

"**Deed of Charge**" means the deed to be entered into between the Issuer and the Security Trustee on or about the Issue Date.

"**Deed of Pledge**" means the deed to be entered into between the Issuer, the Noteholders acting through the Representative of the Noteholders and the Other Issuer Creditors acting through the Representative of the Noteholders on or about the Issue Date.

"**Default Ratio**" means with respect to any Payment Date, the ratio calculated as at the immediately preceding Collection Date between (i) the cumulative Outstanding Balance of all Claims which have become Defaulted Claims since the Effective Date (calculated on the date on which the Claim is classified Defaulted Claim), and (ii) the Outstanding Principal of the Claims as at the Effective Date.

"**Defaulted Claim**" means any Claim which is classified as "*in sofferenza*" by each Servicer pursuant to the relevant Collection Policy and in compliance with the applicable rules "*Istruzioni di Vigilanza*" of the Bank of Italy or a Claim which has at least, as the case may be: (i) 12 Unpaid Instalments in relation to Claims with monthly Instalments; (ii) 5 Unpaid Instalments in relation to Claims with quarterly Instalments; and (iii) 3 Unpaid Instalments in relation to Claims with semi-annual Instalments.

"**Detrimental Event**" has the meaning ascribed to it in Condition 4.3 (*Pre-Acceleration Order of Priority*).

"**Detrimental Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**Detrimental Reserve Account**" means the account which may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Detrimental Reserve Amount**" means, with respect to any Payment Date, the difference between:

(i) the Single Portfolio Available Funds or the Issuer Available Funds (as applicable) in respect of such Payment Date; and

(ii) the aggregate of all payments to be made out of the relevant Single Portfolio Available Funds under items (*First*) to (*Eleventh*) of the Pre-Acceleration Order of Priority, or out of the Issuer Available Funds (as applicable) under items (*First*) to (*Ninth*) of the Cross Collateral Order of Priority on such Payment Date.

"**Disequilibrium Event**" has the meaning ascribed to it in Condition 4.2 (*Pre-Acceleration Order of Priority*).

"**Disequilibrium Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**ECB**" means the European Central Bank.

"**Effective Date**" means 00.01 hours of 1 June 2013.

"**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 have at least the following ratings:

(i) with respect to S&P:

(a) at least "BBB+" as a long-term rating by S&P (other than with respect to the Italian Account Bank); or

(b) at least "BBB-" as a long-term rating by S&P with respect to any institution acting as Italian Account Bank and, only if required by S&P published criteria applicable from time to time with respect to Bank Branches in the EU and the Eurozone, the long-term rating of the Republic of Italy is at least "BBB-".

(ii) with respect to DBRS: (1) at least "BBB" 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". 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):

(a) a long-term rating of at least "BBB" by Fitch;
(b) a long-term rating of at least "BBB" by S&P;
(c) a long-term rating of at least "Baa2" by Moody's;

or such other rating being compliant with the S&P and DBRS published criteria applicable from time to time.

"**Eligible Investments**" means:

(i) any Euro denominated senior (unsubordinated) dematerialised debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument (but excluding for avoidance of any doubt, the money market funds) or repurchase transactions on such debt instruments with the followings characteristic:

(A) with respect to S&P,

(1) the securities or other debt instruments shall be rated, or in the case of time deposits shall be held with an institution whose unsecured and unsubordinated debt obligations are rated, at least as follows: either (i) "A" by S&P in respect of long-term debt or "A-1" by S&P in respect of short-term debt, with regard to investments having a maturity of less than or equal to 365 days, or (ii) "A-2" by S&P in respect of short-term debt, with regard to investments having a maturity equal to 60 days or less; or (iii) such other lower rating being compliant with the S&P's published criteria applicable from time to time; or

(2) the bank account deposits shall be held with an institution whose unsecured and unsubordinated debt obligations are rated at least "BBB+" in respect of long-term debt by S&P, or having such other lower rating being compliant with the S&P's published criteria applicable from time to time; and

(B) with respect to DBRS, the debt securities or other debt instruments are issued by, or in the case of bank account deposits or time deposits are held with, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least as follows:

(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 "BBB" 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 "Baa2" 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 "A (low)" in respect of long-term debt or "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 "A-" by Fitch;

(ii) a long-term rating of at least "A-" by S&P;

(iii) a long-term rating of at least "A3" by Moody's; or

(3) which has such other lower rating being compliant with the DBRS' published criteria applicable from time to time;

It remains understood that in the case of clauses (A) and (B) above, such Euro denominated senior (unsubordinated) debt security, bank account deposit (including for the avoidance of doubt time deposit) or other debt instrument or repurchase transactions on such debt instruments:

(x) shall be immediately repayable on demand, disposable without penalty, cost or loss or have a maturity not later than the second Business Day preceding the Payment Date immediately succeeding the Collection Period in respect of which such Eligible Investments were made and have, in any case, prior to the redemption in full of the Notes, at any time a fixed principal amount at maturity at least equal to the principal amount invested;

(y) shall 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; or

(z) in the case of bank account or deposit (including for the avoidance of doubt time deposit), such bank account or deposit are held in Italy, England or Wales, provided that (i) a legal, valid and binding guarantee substantially in the form of the Deed of Charge or the Deed of Pledge is created thereon and (ii) a legal opinion is provided to the Issuer (and disclosed to the Rating Agencies) confirming the validity and the enforceability of the security created thereon; or

(ii) any other investment that, upon prior written notice to DBRS and S&P, does not adversely affect the current ratings of the Class A Notes;

provided that,

(I) in no case such investment under (i) and (ii) above shall be made, in whole or in part, actually or potentially, in (A) tranches of other asset-backed securities; or (B) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (C) 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;

(II) in case of downgrade below the rating allowed with respect to DBRS or S&P, as the case may be, the Issuer shall:

(a) in case of Eligible Investments being securities or time deposits, sell the securities or terminate in advance the time deposit, if it could be achieved without a loss, otherwise the relevant security or time deposit shall be allowed to mature; or

(b) in case of Eligible Investments being bank deposits, transfer within 30 calendar days the deposits to another account opened in Italy, England or Wales with an institution (i) being and Eligible Institution with respect to DBRS; and (ii) having, with respect to S&P, the characteristic set forth in point (A)(2) above, at no costs for the Issuer, provided that (1) a legal, valid and binding guarantee substantially in the form of the Deed of Charge or the Deed of Pledge is created thereon and (2) a legal opinion is provided to the Issuer (and disclosed to the Rating Agencies) confirming the validity and the enforceability of the security created thereon;

(III) in any case, if such investments under (i) and (ii) above consisting of repurchase transactions, shall have a maturity not longer than 60 days and provided that in any case the maturity of such investment shall fall not later than the second Business Day preceding the Payment Date following the date on which such investment was made and shall be made with a repo counterparty being an Eligible Institution; and

(IV) in any case, the Eligible Investments being securities shall be held directly with the English Account Bank as custodian (excluding, for avoidance of any doubt, sub-custodians) and through Euroclear or Clearstream or other clearing systems and registered in the name of the Issuer.

"**English Account Bank**" means Citibank N.A., London Branch or any of its successors or assignees from time to time.

"**Euroclear**" means Euroclear Bank S.A./N. V., as operator of the Euroclear System.

"**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.

"**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.

"**External Back-Up Servicer**" means the back-up servicer to be appointed pursuant to clause 9 of the Servicing Agreement and which must be an entity different from the Originators.

"**Final Date**" means the earlier between: (i) the Payment Date on which the Class A Notes have been redeemed in full; and (ii) the Final Maturity Date.

"**Final Maturity Date**" means the Payment Date falling on November 2048.

"**First Collection Date**" means 30 September 2013.

"**First Collection Period**" means the period starting on the Effective Date (inclusive) and ending on the First Collection Date (inclusive).

"**First Payment Date**" means the Payment Date falling on 11 November 2013.

"**First Single Portfolio Detrimental Event**" has the meaning ascribed to it in Condition 4.4 (*Pre-Acceleration Order of Priority*).

"**First Single Portfolio Detrimental Event Notice**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**First Single Portfolio Detrimental Reserve Amount**" means with respect to a Payment Date on which a First Single Portfolio Detrimental Event has occurred and to each Portfolio, the difference, if positive, between:

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Tenth*) of the Pre-Acceleration Order of Priority.

"**General Criteria**" means the general criteria used as a basis for the selection of the Claims.

"**Global Target Cash Reserve Amount**" means the aggregate of (i) the Target Additional Cash Reserve Amounts and (ii) the Target Cash Reserve Amounts.

"**Information Technology Services Provider**" means the provider of certain information technology services to the Services pursuant to the Servicing Agreement.

"**Initial Principal Amount Outstanding**" means, (a) in respect of a Note, the principal amount outstanding of that Note as at the Issue Date, and (b) in respect of a Portfolio, the Outstanding Balance of the Loans of that Portfolio as at the Effective Date.

"**Insolvency Event**" means an event which will have occurred in respect of the Issuer if:

(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 (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success;

(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;

(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

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of the Issuer (except 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.

"**Instalment**" means, with respect to each Claim, each monetary amount due from time to time under the Claim by the relevant Borrower.

"**Insurance Company**" means any of the insurance companies granting a Real Estate Insurance Policy.

"**Intercreditor Agreement**" means the intercreditor agreement to be entered into on or prior to the Issue Date among the Issuer and the Other Issuer Creditors.

"**Interest Accruals**" means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the relevant Claims as of the Effective Date (excluding interest in arrears (*interessi di mora*)), and equal to, with respect to Portfolio No. 1, Euro 493,014.38, with respect to Portfolio No. 2, Euro 1,895,650.09 and with respect to Portfolio No. 3, Euro 574,207.44.

"**Interest Amount**" has the meaning ascribed to it in Condition 5.3.1 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*).

"**Interest Determination Date**" means, (i) with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and (ii) 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 interest 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 first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but excluded) the First Payment Date.

"**Interest Rate**" has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

"**Interest Shortfall**" means with respect to any Payment Date the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date (i) under items (*First*) through (*Eighth*) (inclusive) of the Acceleration Order of Priority or (ii) under items (*First*) through (*Seventh*) (inclusive) of the Cross-Collateral Order of Priority and under item (*Eighth*) of the Cross Collateral Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full, as applicable and (b) the Issuer Available Funds with respect to such Payment Date but excluding the amounts under item (xii) of the Issuer Available Funds.

"**Investment Accounts**" means the three investment accounts opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Investors Report**" has the meaning ascribed to such term in the Cash Administration and Agency Agreement.

"**Investors Report Date**" means the date on which the Investors Report is delivered by the Computation Agent pursuant to clause 6.3.3 of the Cash Administration and Agency Agreement.

"**Issuer Available Funds**" means, in respect of each Payment Date (following the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer in respect of the Claims during the immediately preceding Collection Period; provided that the Temporary Excluded Collections shall not form part of the Issuer Available Funds on such Payment Date and shall only form part of the Issuer Available Funds on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower's receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the Issuer Available Funds;

(ii) all other amounts transferred during the immediately preceding Collection Period into the Collections and Recoveries Accounts;

(iii) all the amounts credited to the Collections and Recoveries Accounts on the immediately preceding Payment Date;

(iv) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Quota Capital Account) during the immediately preceding Collection

Period and any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;

(v) all amounts paid into the Principal Amortisation Reserve Accounts on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the Originators, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements and all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements and any payment made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) all amounts paid into the Single Portfolio Detrimental Reserve Accounts in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3(a) of the Cash Administration and Agency Agreement);

(ix) any amount paid into the Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Cash Reserve in an amount equal to the Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due (a) under items (*First*) to (*Seventh*) of the Cross Collateral Order of Priority *provided that* any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and (b) under items (*First*) to (*Eighth*) of the Acceleration Order of Priority;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Portfolios.

"**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.

"**Italian Account Bank**" means Citibank N.A., Milan Branch or any of its permitted successors or assignees from time to time.

"**Late Payments 60 Claims**" means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 60 (sixty) days.

"**Late Payments 90 Claims**" means any Claim, other than a Defaulted Claim, in respect of which there are one or more Instalments due but unpaid for more than 90 (ninety) days.

"**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.

"**Loan Agreement**" means each agreement by which a Loan has been granted.

"**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.

"**Local Paying Agent**" means Citibank N.A., Milan Branch or any of its permitted successors or assignees from time to time.

"**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.

"**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 of Notes outstanding which ranks highest in accordance with the applicable Order of Priority.

"***Mutui Fondiari* Agreements"** means any Mortgage Loan Agreement under which it has been granted a Mortgage Loan deemed as "mutuo *fondiario"* in accordance with article 38 and sub. of the Consolidated Banking Act.

"**Notes**" means, collectively, the Class A Notes and the Class B Notes.

"**Notes Subscription Agreement**" means the notes subscription agreement to be entered into on or prior to the Issue Date among, *inter alios*, the Issuer, the Originators, the Representative of the Noteholders and the Co-Arrangers, pursuant to which each of the Originators shall subscribe the Notes and pay to the Issuer on the Issue Date the relevant issue price for the Notes.

"**Noteholders**" means collectively the Class A Noteholders and the Class B Noteholders.

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

"**Optional Redemption**" has the meaning ascribed to it in Condition 6.4 (*Optional Redemption*).

"**Order of Priority**" means the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable, according to which the Single Portfolio Available Funds or the Issuer Available Funds, respectively, shall be applied on each Payment Date in accordance with the Conditions and the Intercreditor Agreement.

"**Organisation of the Noteholders**" means the association of the Noteholders created on the Issue Date.

"**Originators**" means Banca CR Savigliano, Banca MCFVG and CR Saluzzo.

"**Other Issuer Creditors**" means the Originators, the Servicers, the Representative of the Noteholders, the Stichting Corporate Services Provider, the Security Trustee, the Principal Paying

Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Back-Up Servicers, the Italian Account Bank, the English Account Bank, the Corporate Services Provider, the Back-Up Servicer Facilitator, the Computation Agent, the Subscribers and the Irish Listing Agent, together with any other creditor of the Issuer in the context of the Securitisation following its accession to the Intercreditor Agreement.

"**Outstanding Balance**" means with respect to a Claim the aggregate of the (i) Outstanding Principal and (ii) all due and unpaid Principal Instalments.

"**Outstanding Notes Ratio**" means with respect to any Payment Date and to each Portfolio, the ratio, calculated as at the immediately preceding Collection Date, between: (x) the relevant Single Portfolio Notes Principal Amount Outstanding, and (y) the Principal Amount Outstanding of all the Notes.

"**Outstanding Principal**" means, with respect to any Claims and to any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

"**Paying Agents**" means the Principal Paying Agent and the Local Paying Agent.

"**Payment Date**" means the 10th day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

"**Payments Account**" means the account IBAN Code: GB90CITI18500811727737 opened by the Issuer with the English Account Bank or such other account or accounts of the Issuer as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Payments Report**" has the meaning ascribed to it in Condition 6.8 (*Principal Payments and Principal Amount Outstanding*).

"**Payments Report Date**" means the date falling on the 3rd day of February, May, August and November in each year or, if such date is not a Business Day, the following Business Day.

"**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 organisation.

"**Pledgees**" means the Noteholders and the Other Issuer Creditors (all acting through the Representative of Noteholders) pursuant to the Deed of Pledge.

"**Portfolio**" means any of the Portfolio No. 1, the Portfolio No. 2 and the Portfolio No. 3.

"**Portfolio Difference**" means in respect of each Payment Date both before and after delivery of a Cross Collateral Notice or a Trigger Notice, respectively:

(i) in relation to the Portfolio No. 1 and the Portfolio No. 2, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Fourteenth)* to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due

to a shortfall under Portfolio No. 2, and

(b) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (i)(a) be higher than (i)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (i)(b) be higher than (i)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 2.

(ii) in relation to the Portfolio No. 1 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 1 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 1;

being clear that should (ii)(a) be higher than (ii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 1, and that, should (ii)(b) be higher than (ii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3.

(iii) in relation to the Portfolio No. 2 and the Portfolio No. 3, the difference between

(a) any amount that would have been payable in respect of the Portfolio No. 2 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority, had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable

on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 3, and

(b) any amount that would have been payable in respect of the Portfolio No. 3 up to such Payment Date (included) under items from (*Fourteenth*) to (*Nineteenth*) of the Pre Acceleration Order of Priority, from (*Tenth*) to (*Fifteenth*) of the Acceleration Order of Priority and from (*Twelfth*) to (*Seventeenth*) of the Cross Collateral Order of Priority had all of the Portfolios had enough Single Portfolio Available Funds to pay items from (*First*) to (*Twelfth*) of the Pre Acceleration Order of Priority (provided that following delivery of a Cross Collateral Notice or a Trigger Notice only the items in the Pre Acceleration Order of Priority included also in the Order of Priority applicable on the relevant Payment Date shall be taken into account), and has not been paid due to a shortfall under Portfolio No. 2;

being clear that should (iii)(a) be higher than (iii)(b), the Portfolio Difference would be due to the Originator of the Portfolio No. 2, and that, should (iii)(b) be higher than (iii)(a), the Portfolio Difference would be due to the Originator of the Portfolio No. 3,

in each case, in respect of each couple of Portfolios under respectively paragraphs (i), (ii) and (iii) above, net of any Portfolio Difference paid and received between such couple of Portfolios in any previous Payment Date.

"**Portfolio No. 1**" means the portfolio of Claims which are sold to the Issuer by Banca CR Savigliano pursuant to the relevant Transfer Agreement.

"**Portfolio No. 2**" means the portfolio of Claims which are sold to the Issuer by Banca MCFVG pursuant to the relevant Transfer Agreement.

"**Portfolio No. 3**" means the portfolio of Claims which are sold to the Issuer by CR Saluzzo pursuant to the relevant Transfer Agreement.

"**Portfolios**" means all the Portfolios of monetary claims and connected rights arising under the Loans transferred by the Originators to the Issuer further to the Transfer Agreements.

"**Pre-Acceleration Order of Priority**" has the meaning ascribed to it in Condition 4.1 (*Pre-Acceleration Order of Priority*).

"**Pre-paid Claim**" means a Claim in respect of which the principal has been totally or partially paid before the applicable repayment date under the relevant Loan.

"**Principal Amount Outstanding**" means in respect of each of the Notes and on any date the Initial Principal Amount Outstanding of that Note less the aggregate amount of all payments of principal in respect of that Note that have been made prior to such date.

"**Principal Amortisation Reserve Accounts**" means the accounts that may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Disequilibrium Event has occurred and to each Portfolio not affected by a Disequilibrium Event, the difference, if positive, between::

(i) the relevant Single Portfolio Available Funds, and

(ii) the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Ninth*) of the Pre-Acceleration Order of Priority.

"**Principal Instalment**" means, in respect of each Claim, the principal component of each Instalment.

"**Principal Paying Agent**" means Citibank N.A., London Branch or any of its permitted successors or assignees from time to time.

"**Principal Payment Amount**" means, collectively, the Class A Notes Principal Payment Amount and the aggregate of all Single Series Available Class B Notes Redemption Funds.

"**Principal Single Portfolio Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Eighth*) (inclusive) of the Pre-Acceleration Order of Priority and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

"**Purchase Price**" means the price to be paid by the Issuer for the purchase of the Portfolios under the terms of the Transfer Agreements, calculated as the Outstanding Principal of the Claims as at the Effective Date, which is equal to the aggregate of: (i) € 238,936,522.29 to be paid to Banca CR Savigliano for the purchase of Portfolio No. 1; (ii) € 172,576,130.77 to be paid to Banca MCFVG for the purchase of Portfolio No. 2; and (iii) € 231,121,085.42 to be paid to CR Saluzzo for the purchase of Portfolio No. 3.

"**Quarterly Servicing Report**" means the quarterly report, containing information as to the collections and recoveries to be made in respect of the Portfolios during each Collection Period, which the Servicers undertake to prepare and submit on the Quarterly Servicing Report Date.

"**Quarterly Servicing Report Date**" means the 20th day of January, April, July and October in each year or, if such date is not a Business Day, the following Business Day.

"**Quota Capital Account**" means the account IBAN Code: IT17M0356601600000125616011 opened by the Issuer with the Italian Account Bank, or such other account or accounts of the Issuer as may be, with the prior written consent of the Representative of the Noteholders, used for this purpose.

"**Quotaholder**" means Stichting Dean.

"**Rating Agencies**" means DBRS Ratings Limited and Standard & Poor's Credit Market Services Italy S.r.l. and any successors thereof and any other rating agency which shall be appointed by the Issuer to give a rating to the Class A Notes.

"**Real Estate Assets**" means any residential real estate property which has been mortgaged in favour of the Originators to secure the Claims deriving from Mortgage Loan Agreements.

"**Real Estate Insurance Policies**" means each insurance policy, entered into in respect of the Claims deriving from Mortgage Loan Agreements, pursuant to which the relevant Insurance Company has undertaken to cover the risk of fire (*incendio*), explosion (*scoppio*) and/or lightning (*fulmine*) of the Real Estate Assets not consisting of land (*terreni*).

"**Redemption for Taxation**" has the meaning ascribed to it in Condition 6.2 (*Redemption for Taxation*).

"**Reference Banks**" means three major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of three major banks in the Euro-zone inter-bank market, as selected by the Agent Bank, with the approval of the Representative of the Noteholders; provided that, should the Representative of the Noteholders not approve the banks

selected by the Agent Bank within two Business Days following the relevant request, such approval shall be deemed as being given by the Representative of the Noteholders.

"**Relevant Additional Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo the monies standing from time to time to the Relevant Additional Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

"**Relevant Additional Reserve SubAccount**" means, (i) in respect of CR Savigliano and the Banca CR Savigliano Additional Cash Reserve, the Banca CR Savigliano Additional Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Additional Cash Reserve, the Banca MCFVG Additional Reserve SubAccount and (iii) in respect of CR Saluzzo and the CR Saluzzo Additional Cash Reserve, the CR Saluzzo Additional Reserve SubAccount.

"**Relevant Cash Reserve**" means, with reference to any given Payment Date and Calculation Date, with respect to each of Banca CR Savigliano, Banca MCFVG and CR Saluzzo the monies standing from time to time to the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds, in accordance with the applicable Order of Priority).

"**Relevant Cash Reserve Account**" means, (i) in respect of Banca CR Savigliano, the Banca CR Savigliano Cash Reserve Account, (ii) in respect of Banca MCFVG, the Banca MCFVG Cash Reserve Account, and (iii) in respect of CR Saluzzo, the CR Saluzzo Cash Reserve Account.

"**Relevant Cash Reserve SubAccount**" means, (i) in respect of CR Savigliano and the Banca CR Savigliano Cash Reserve, the Banca CR Savigliano Cash Reserve SubAccount, (ii) in respect of Banca MCFVG and the Banca MCFVG Cash Reserve, the Banca MCFVG Cash Reserve SubAccount and (iii) in respect of CR Saluzzo and the CR Saluzzo Cash Reserve, the CR Saluzzo Cash Reserve SubAccount.

"**Relevant Cash Reserve Available Amount**" means, with respect to any Payment Date and each Originator:

(i) in relation to payments under clause 14.1(A) and 14.2 of the Cash Administration and Agency Agreement, (a) with respect to the First Payment Date, the amount standing to the credit of the Relevant Cash Reserve SubAccount on the Issue Date; and (b) with respect to any Payment Date thereafter, the lower of (i) the amount standing to the credit of the Relevant Cash Reserve SubAccount on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve SubAccount in accordance with the applicable Order of Priority) and (ii) the Target Cash Reserve Amount on such Payment Date;

(ii) in relation to payments under clause 14.1(B) of the Cash Administration and Agency Agreement, the difference, if positive, between (a) the amount indicated under item (i) above, and (b) any payments made under clause 14.1(A) of the Cash Administration and Agency Agreement.

"**Relevant Cash Reserve Individual Proportion**" means:

(i) on any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

    (x) the sum of the Relevant Cash Reserve Uncovered Amount related to all the Originators; and

(y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date (calculated by deducting the amount of the relevant Cash Reserve of each Originator which shall be utilised at such Payment Date pursuant to clause 14.1(A) of the Cash Administration and Agency Agreement and the Conditions);

(ii) on any Payment Date on which any of the Cross Collateral Order of Priority or the Acceleration Order of Priority applies and until full repayment of the Class A Notes, the ratio between:

(x) the Interest Shortfall calculated as at the Calculation Date immediately preceding such Payment Date; and

(y) the sum of the Relevant Cash Reserve Available Amount related to all the Originators as at such Payment Date.

"**Relevant Cash Reserve Uncovered Amount**" has the meaning ascribed to it under clause 14.1(B) of the Cash Administration and Agency Agreement.

"**Relevant Date**" means, in respect of each Class of Notes, the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of such Class of Notes due and payable on or before that date has not been duly received by the relevant Monte Titoli Account Holder (in respect of the Class A Notes) or by the Class B Noteholders (in respect of the Class B Notes), on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Representative of the Noteholders.

"**Relevant Global Target Cash Reserve Amount**" means respectively with reference to: (a) CR Saluzzo, the aggregate of (i) the CR Saluzzo Target Additional Cash Reserve Amount and (ii) the CR Saluzzo Target Cash Reserve Amount; (b) Banca CR Savigliano, the aggregate of (i) the Banca CR Savigliano Target Additional Cash Reserve Amount and (ii) the CR Savigliano Target Cash Reserve Amount; (c) MCFVG, the aggregate of (i) the MCFVG Target Additional Cash Reserve Amount and (ii) the MCFVG Target Cash Reserve Amount.

"**Relevant Portfolio**" means, with respect to a Series of Class B Notes, the Portfolio sold by the Originator that subscribes for such series of Class B Notes pursuant to the Notes Subscription Agreement; and in general, Relevant Portfolio means the Portfolio sold by the relevant Originator.

"**Representative of the Noteholders**" means Accounting Partners S.r.l. or any of its permitted successors or assignees from time to time.

"**Retention Amount**" means an amount equal to Euro 50,000.

"**Securities Accounts**" means the three securities accounts that may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Security Documents**" means the Deed of Pledge and the Deed of Charge.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, special privilege (*privilegio speciale*), or other security interest securing any obligation of any person;

(b) any arrangements under which money or claims to money or the benefit of a bank or other

account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having similar effect.

"**Security Trustee**" means Accounting Partners S.r.l. or any other person from time to time acting as security trustee.

"**S&P**" means Standard & Poor's Credit Market Services Italy S.r.l.

"**Series of Class B Notes**" means the series of Class B Notes subscribed by the Originator that sold the Relevant Portfolio.

"**Servicers**" means Banca CR Savigliano, Banca MCFVG and CR Saluzzo, or any other person from time to time acting as Servicer.

"**Servicing Agreement**" means the servicing agreement entered into on 6 June 2013 among Banca CR Savigliano, Banca MCFVG and CR Saluzzo, as Servicers, and the Issuer.

"**Single Portfolio Amortised Principal**" means, with respect to each Payment Date and to each Portfolio, an amount equal to the aggregate of:

(i) the aggregate amount of the Principal Instalments of the Claims of the Relevant Portfolio collected during the immediately preceding Collection Period (including, for the avoidance of doubt, any such collection lost due to any insolvency event on the Servicer having occurred) excluding all Principal Instalments collected in such immediately preceding Collection Period in relation to the Claims that have become Defaulted Claims in any previous Collection Period (without prejudice to the provisions under items (iii) and (iv) below);

(ii) (a) the aggregate amount of the Principal Instalments of the Pre-paid Claims (other than the Temporary Excluded Collections) that have been prepaid during the immediately preceding Collection Period and (b) the aggregate amount of the Principal Instalments of the Temporary Excluded Collections in respect of which in the immediately preceding Collection Period (i) the two year period starting from the date of receipt of the relevant prepayment has elapsed; or (ii) the contractual maturity date of the relevant Loan has elapsed;

(iii) the Outstanding Principal of the Claims of the Relevant Portfolio that have become Defaulted Claims during the immediately preceding Collection Period, as of the date when such Claims became Defaulted Claims;

(iv) any amount received by the Issuer during the immediately preceding Collection Period from the Originator of such Portfolio pursuant to the relevant Transfer Agreement and/or the Warranty and Indemnity Agreement and any amount received by the Issuer from the relevant Originator as indemnities in respect of the renegotiation of the Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;

(v) the Single Portfolio Amortised Principal unpaid at the previous Payment Date;

(vi) the proceeds from the sale of the Relevant Portfolio; and

(vii) upon any of the Originators becoming subject to an insolvency proceeding, any amount not received by the Issuer in the immediately preceding Collection Period as a result of the set-off by any Borrower between its claims towards such Originator (in respect of the Borrower's deposits with such Originator) and the Claims.

“**Single Portfolio Available Funds**” means Means, in respect of each Payment Date and each Portfolio (before the delivery of a Trigger Notice or a Cross Collateral Notice), the aggregate (without duplication) of:

(i) all the Collections and other amounts received by the Issuer during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio; provided that the Temporary Excluded Collections related to the Claims of the Relevant Portfolio shall not form part of the Single Portfolio Available Funds on such Payment Date and shall only form part of the Single Portfolio Available Funds of the Relevant Portfolio on the first Payment Date falling after the Collection Date in respect of which (a) two years have elapsed from the date of receipt of the relevant prepayment (provided that the Borrower has not been declared insolvent within such period); (b) the contractual maturity date of the relevant Loan has elapsed (provided that the Borrower has not been declared insolvent before the contractual maturity date of the relevant Loan); (c) in case the Borrower has been declared insolvent within two years from the date of receipt of the relevant prepayment, the term for the exercise of the claw back action by the bankruptcy receiver with respect to the relevant prepayment has elapsed, being further provided that, should any amount in respect of Pre-paid Claims be successfully clawed-back by a Borrower’s receiver, (1) the Issuer will procure payment of such clawed-back amount to the relevant receiver in accordance with the provisions of the Cash Administration and Agency Agreement, and (2) such amount will not form part of the Single Portfolio Available Funds;

(ii) all other amounts transferred during the immediately preceding Collection Period into the relevant Collections and Recoveries Account;

(iii) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period;

(iv) any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account;

(v) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account on the preceding Payment Date (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (b) of the Cash Administration and Agency Agreement);

(vi) all amounts, if any, received from the relevant Originator pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreement in respect of the Claims of the Relevant Portfolio, all amounts received by the Issuer as indemnities for the renegotiation of the Loan Agreements in respect of the Claims of the Relevant Portfolio and the relevant Outstanding Notes Ratio of all payments made to the Issuer by any other party to the Transaction Documents during the immediately preceding Collection Period;

(vii) the relevant Outstanding Notes Ratio of any amounts paid into the Payments Account during the immediately preceding Collection Period (other than amounts credited on the second Business Day of the immediately preceding Payment Date and to be utilized on the same immediately preceding Payment Date in accordance with the relevant Order of Priority and the amounts used under items (5) and (6) of the description of the Payments Account for payments made out of such Payments Account in the preceding Collection Period);

(viii) the amounts paid into the credit of the Detrimental Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds (or the corresponding amount credited to the Payments Account pursuant to clause 3.3 (c) of the Cash Administration and Agency Agreement);

(ix) the amounts paid into the relevant Single Portfolio Detrimental Reserve Account in the preceding Payment Date (or the corresponding amount credited to the relevant Investment Account pursuant to clause 3.3 (a) of the Cash Administration and Agency Agreement);

(x) until full repayment of the Class A Notes, the Relevant Cash Reserve (augmented as the case may be by the amount made available by the other Relevant Cash Reserve pursuant to the terms of the Cash Administration and Agency Agreement) in an amount equal to the Single Interest Shortfall with respect to such Payment Date, exclusively to pay amounts due under items (First) to (Seventh) (inclusive) of the Pre-Acceleration Order of Priority; provided that any amount under this item could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date;

(xi) until full repayment of the Class A Notes, the balance of the Additional Reserve SubAccount; and

(xii) the proceeds from the sale of the Relevant Portfolio, the Cash Reserve Amortisation Amount of the Relevant Portfolio and the Cash Reserve Excess of the Relevant Portfolio.

"**Single Portfolio Class A Notes Principal Amount Outstanding**" means with respect to each Payment Date and to each Portfolio the difference between:

(i) the relevant Single Portfolio Initial Class A Notes Principal Amount Outstanding; and

(ii) the aggregate of all the Single Portfolio Class A Notes Principal Payment Amounts paid in respect of the Relevant Portfolio to the Class A Noteholders on the preceding Payment Dates.

"**Single Portfolio Class A Notes Principal Payment Amount**" means with respect to each Payment Date and to each Portfolio the lesser of: (i) the relevant Single Portfolio Amortised Principal with respect to such Payment Date; and (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding as at the immediately preceding Collection Date.

"**Second Single Portfolio Detrimental Event**" has the meaning ascribed to it in Condition 4.5 (*Pre-Acceleration Order of Priority*).

"**Second Single Portfolio Detrimental Reserve Amount**" means with respect to each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred an amount equal to:

(i) in case the Second Single Portfolio Detrimental Event has occurred with respect to each of the other two Portfolios, the lower of (a) the Single Portfolio Available Funds available to make payments under item (*Tenth*) of the Pre-Accelleration Order of Priority and (b) the Cash Reserve Deficiency Amount of the two Portfolios with respect to which the Second Single Portfolio Detrimental Event has occurred; or

(ii) in case the Second Single Portfolio Detrimental Event has occurred with respect to one Portfolio only, the lower of

(a) the Single Portfolio Available Funds available to make payments under item (*Eleventh*) of the Pre-Accelleration Order of Priority, and

(b) the product of:

(1) the ratio between (x) the principal amount outstanding of each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred; and (y) the aggregate of the principal amount outstanding of the Portfolios in respect to which the Second Single Portfolio Detrimental Event has not occurred, in each case as of the immediately preceding Collection Date; and

(2) the Cash Reserve Deficiency Amount, as of such Payment Date,

(such amount, for each Portfolio in respect of which a Second Single Portfolio Detrimental Event has not occurred, a "**Cash Reserve Deficiency Quota**")

provided that in case in respect of any of the two Portfolios in respect to which the Second Single Portfolio Detrimental Event has not occurred, the amount under (ii)(b) above is higher than the amount under (ii)(a) above (such positive difference being the "**Cash Reserve Deficiency Shortfall**", the Cash Reserve Deficiency Quota of the other Portfolio shall be increased by an amount (if any) equal to the lower of the Cash Reserve Deficiency Shortfall and the Single Portfolio Available Funds available to make payments under point (ii) above.

"**Servicing Fees**" means the fees to be paid to the Servicers pursuant to clause 12 of the Servicing Agreements

"**Single Interest Shortfall**" means with respect to any Payment Date and to each Portfolio the difference, if positive, between (a) all amounts due to be paid by the Issuer on such Payment Date under items (*First*) to (*Seventh*) (inclusive) of the Pre-Acceleration Order of Priority and under item (*Eighth*) of the Pre-Acceleration Order of Priority only on the Payment Date on which the Class A Notes are redeemed in full and (b) the Single Portfolio Available Funds with respect to such Portfolio and to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

"**Single Portfolio Default Ratio**" means in respect to each Portfolio, the Default Ratio of the Claims comprised in such Portfolio.

"**Single Portfolio Detrimental Reserve Accounts**" means the accounts which may be opened by the Issuer with the English Account Bank in accordance with the Cash Administration and Agency Agreement, or such other account or accounts of the Issuer with such other Eligible Institution as may, with the prior written consent of the Representative of the Noteholders, be used for this purpose.

"**Single Portfolio Initial Class A Notes Principal Amount Outstanding**" means (i) with respect to Portfolio No. 1, as at the Issue Date an amount equal to Euro 155,800,000; (ii) with respect to Portfolio No. 2, as at the Issue Date an amount equal to Euro 112,500,000; and (iii) with respect to Portfolio No. 3, as at the Issue Date an amount equal to Euro 150,700,000.

"**Single Portfolio Notes Principal Amount Outstanding**" means with respect to each Payment Date:

(i) with respect to Portfolio No. 1, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B1 Notes;

(ii) with respect to Portfolio No. 2, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B2 Notes; and

(iii) with respect to Portfolio No. 3, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, and the Principal Amount Outstanding of the Class B3 Notes;

in each case as at the immediately preceding Collection Date.

"**Single Portfolio Target Default Ratio**" means as of each Calculation Date and with respect to the end of the immediately preceding Collection Period, the percentage of 5%.

"**Single Series Available Class B Notes Redemption Funds**" means with respect to each Payment Date and to each Series of Class B Notes, an amount, calculated as at the Collection Date immediately preceding such Payment Date, equal to the lower of:

(a) the Single Portfolio Available Funds with respect to the Relevant Portfolio, available for redemption of the Principal Amount Outstanding of such Series of Class B Notes according to the Pre-Acceleration Order of Priority or the Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable; and

(b) the Principal Amount Outstanding of such Series of Class B Notes.

"**Single Series Class B Notes Additional Interest Payment Amount**" means with respect to each Payment Date and to each Series of Class B Notes an amount, calculated on the Calculation Date immediately preceding such Payment Date, equal to:

(i) the aggregate of all Interest Instalments collected on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; plus

(ii) the aggregate of all interest for late payments (*interessi di mora*) paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; plus

(iii) all amounts received or recovered by the Issuer in the immediately preceding Collection Period with respect to the Claims of the Relevant Portfolio which are or have been Defaulted Claims; plus

(iv) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Payments Account and paid into the same during the immediately preceding Collection Period; (b) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the relevant Collections and Recoveries Account, Single Portfolio Detrimental Reserve Account, Principal Amortisation Reserve Account and the Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued on the amounts standing from time to time to the credit of the Detrimental Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; plus

(v) the Cash Reserve Excess of the Relevant Portfolio and the Cash Reserve Amortisation Amount of the Relevant Portfolio; plus

(vi) all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period out of the relevant Investment Account; minus

(vii) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) through (*Fifth*) plus *(Seventh*), *(Thirteenth*) and (*Sixteenth*) of the Pre-Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items *(First*) through *(Fifth*), plus (*Seventh*), (*Ninth*) and (*Twelfth*) of the Acceleration Order of Priority, or the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*) through (*Fifth*) plus (*Seventh*), (*Eleventh*) and (*Fourteenth*) of the Cross Collateral Order of Priority; minus

(viii) the Outstanding Balance of all the Claims of the Relevant Portfolio which have become Defaulted Claims during the immediately preceding Collection Period calculated as at the immediately preceding Collection Date; minus

(ix) on the First Payment Date only, the amount of any Interest Accrual.

"**Single Series Class B Notes Interest Amount**" means on each Payment Date and in respect of each Series of Class B Notes, an amount equal to the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Eleventh*) of the Acceleration Order of Priority or under items from (*First*) to (*Thirteenth*) of the Cross Collateral Order of Priority, as applicable.

"**Specific Criteria**" means the specific objective criteria used as the basis for the selection of the Claims for each Originator.

"**Specified Office**" means the office of (i) the Principal Paying Agent located at Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, or (ii) the Irish Listing Agent located at The Harcourt Building, Harcourt Street, Dublin 2 Ireland, as the case may be.

"**Stichting Corporate Services Agreement**" means the stichting corporate services agreement to be entered into on or prior to the Issue Date, between the Issuer, the Stichting Corporate Services Provider and the Quotaholder.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited or any of its permitted successors or assignees from time to time.

"**Subscribers**" means Banca CR Savigliano, Banca MCFVG and CR Saluzzo.

"**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 for any reason (included, but not limited to, assignment of the agreement (*cessione del contratto*), merger, transfer of the business (*cessione d'azienda*), or of an operative branch of the same (*cessione del ramo di azienda*), contribution in kind (*conferimento in natura*), and any other transaction having the effect of transfer the duties and obligations set out in the relevant Transaction Document) the rights and obligations of such person under the relevant Transaction Document or to which under such laws the same have been transferred.

"**Target Cash Reserve Amount**" means all or each of the Banca CR Savigliano Target Cash Reserve Amount, the Banca MCFVG Target Cash Reserve Amount and the CR Saluzzo Target Cash Reserve Amount, as the case may be.

"**Temporary Excluded Collections**" means any Collections deriving from prepayments of Loan Agreements not being *Mutui Fondiari* Agreements.

"**Transaction**" means the securitisation of the Portfolios carried out by the Issuer.

"**Transaction Documents**" means collectively the Transfer Agreements, the Warranty and Indemnity Agreement, the Servicing Agreement, the Intercreditor Agreement, the Corporate Services Agreement, the Cash Administration and Agency Agreement, the Back-Up Servicing Agreement, the Notes Subscription Agreement, the Stichting Corporate Services Agreement, the Conditions, the Deed of Pledge, the Agreement between the Issuer and the Quotaholder and the Deed of Charge.

"**Transfer Agreement**" means each of the three transfer agreements entered into on the Transfer Date between the Issuer and each of the Originators in connection with the purchase of the Portfolios and

"**Transfer Agreements**" means all of them.

"**Transfer Date**" means 6 June 2013.

"**Transparency Directive**" means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

"**Three Month Euribor**" means Euribor for three months deposits calculated as provided for in Condition 5.2 (*Interest Rate*).

"**Trigger Event**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Trigger Notice**" has the meaning ascribed to it in Condition 9 (*Trigger Events*).

"**Unpaid Instalment**" means any Instalment that is not duly paid (in whole or in part) by the relevant Borrower within seven days from the scheduled date for payment thereof.

"**Usury Law**" means Italian Law No. 108 of 7 March 1996 (*Disposizioni in materia di usura*), as subsequently amended and supplemented.

"**Valuation Date**" means 31 March 2013.

1. FORM, DENOMINATION, STATUS

(1) 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, 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 (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998; and (ii) the Resolution dated 22 February 2008 jointly issued by the Bank of Italy and the CONSOB, as amended from time to time. 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. Each Series of Class B Notes will be issued in denominations of Euro 10,000. The Class A Notes will be subscribed by Banca CR Savigliano (Euro 155,800,000), Banca MCFVG (Euro 112,500,000) and CR Saluzzo (Euro 150,700,000). The Class B1 Notes will be subscribed by Banca CR Savigliano, the Class B2 Notes will be subscribed by Banca MCFVG and the Class B3 Notes will be subscribed by CR Saluzzo.

(4) The Issuer will elect Ireland as Home Member State for the purpose of 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 and the Single Portfolio Available Funds which may be applied for the relevant purpose, in accordance with the applicable Order of Priority and the terms of the Intercreditor Agreement and neither the Representative of the Noteholders nor any relevant Noteholder may take any further steps against the Issuer or any of its assets to recover any unpaid sum and the Issuer's liability for any unpaid sum will be extinguished. 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. 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 (if any) are paid in accordance with the applicable Order of Priority, and (iii) the Final Maturity Date (following application of the Single Portfolio Available Funds or the Issuer Available Funds, as the case may be, on such date in accordance with the applicable Order of Priority), shall be deemed extinguished and if the relevant claims irrevocably relinquished, waived and surrendered, by the Noteholders to the Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations.

(2) The Notes are secured by certain rights of the Issuer pursuant to the Security Documents and, in addition, by operation of Italian law, the Issuer's right, title and interest in and to the Portfolios is 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) The Notes of each Class will rank *pari passu* and without any preference or priority among themselves.

(4) As long as the Notes of a Class ranking in priority to the other Classes of Notes are outstanding, unless notice has been given to the Issuer declaring the Notes of such Class due and payable, the Notes of the Class(es) ranking below may not be declared due and payable and the Noteholders of the outstanding Class of Notes ranking highest in priority shall be entitled to determine the remedies to be exercised.

(5) 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 of Notes, 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.

(6) Without prejudice to the right of the Representative of the Noteholders to enforce the Security Documents or to exercise any of its other rights, and subject as set out in the Rules of Organisation of the Noteholders, no Class A Noteholder and no Class B Noteholder shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings until two years plus one day have elapsed since the day on which any note issued by the Issuer (including the Notes) has been paid in full or cancelled.

3. COVENANTS

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, (i) save with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 (*Further Securitisations*) below and, in the case provided for under Conditions 3.2 (c) below (*Restrictions on activities*) and 3.10 below (*Further Securitisation*), by giving a prior written notice to the Rating Agencies or (ii) save 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 any of 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) (as defined in article 2359 of the Italian Civil Code) 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 under the Transaction Documents (including for the avoidance of doubts actions that may lead to a substantial increase of the weighted average life of the Notes as indicated in this Prospectus); 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 administered 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(s), 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 to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding the Class B Noteholders; or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party, in a way which may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding the Class B Noteholders; or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the Class A Noteholders or, if no Class A Notes are outstanding the Class B Noteholders; or

3.8 Bank Accounts

without prejudice to Condition 3.10, 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 Securitisation, 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 DBRS of the implementation of each such Further Securitisation and has received prior confirmation by S&P that such implementation does not adversely affect the current ratings 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*) and in March 2013 *(Additional temporary measures relating to Eurosystem refinancing operation and eligibility of collateral and amending Guideline ECB/2007/9*), 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 Pre-Acceleration Order of Priority

The Single Portfolio Available Funds relating to the Portfolios 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):

First, to pay (*pari passu* and *pro rat*a to the extent of the respective amounts thereof) the relevant 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 the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account the relevant Outstanding Notes Ratio of the Retention Amount;

Fourth, to pay (pari passu and pro rata to the extent of the respective amounts thereof) the relevant Outstanding Notes Ratio of the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the Irish Listing Agent, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Back-Up Servicer Facilitator, the Back-Up Servicers, the Stichting Corporate Services Provider and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicer as provided under the Servicing Agreement;

Sixth, to pay to the relevant Originator any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Single Portfolio Class A Notes Principal Amount Outstanding (pro rata according to the amounts then due);

Eighth, (i) to pay the relevant Single Portfolio Class A Notes Principal Payment Amount to the Class A Noteholders (pro rata according to the amounts then due); and (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class A Notes

Principal Amount Outstanding on such Payment Date;

Ninth, (i) first to credit the Relevant Cash Reserve SubAccount with the amount required, if any, such that the Relevant Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter (ii) to credit the Relevant Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Tenth, upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios, to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account;

Eleventh, (i) on any Payment Date with respect to which a First Single Portfolio Detrimental Event has occurred, to pay the relevant First Single Portfolio Detrimental Reserve Amount into the relevant Single Portfolio Detrimental Reserve Account; and (ii) on any Payment Date with respect to which a Second Single Portfolio Detrimental Event has occurred, to pay the relevant Second Single Portfolio Detrimental Reserve Amount into the Relevant Additional Reserve SubAccount;

Twelfth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Thirteenth, to pay to the other Originators (*pari passu* and *pro rata* according to the amounts then due) the Portfolio Difference (if any);

Fourteenth, to pay to the relevant Originator any amount due and payable in respect of purchase price adjustments due in relation to its respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above)

Fifteenth, to pay any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of this Order of Priority, pari passu and pro rata according to the amounts then due, and (c) to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Sixteenth, to pay the Interest Amount on the relevant Series of Class B Notes (pari passu and pro rata according to the amounts then due);

Seventeenth, to pay the Single Series Class B Notes Additional Interest Payment Amount of the relevant Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (pari passu and pro rata according to the amounts then due);

Eighteenth, following full redemption of the Class A Notes (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority inter se but pro rata to the extent of the respective amounts thereof), or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the relevant Single Portfolio Class B Notes

Principal Amount Outstanding on such Payment Date;

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 remaining on the balance of the relevant Single Portfolio Detrimental Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority as resulting from (i) the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, and (ii) in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

4.2 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Disequilibrium Event with respect to one or more Portfolios has occurred, the Issuer shall pay the relevant Principal Amortisation Reserve Amount into the respective Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has occurred.

A Disequilibrium Event shall occur with respect to a Portfolio if on any Payment Date the Single Portfolio Available Funds relating to such Portfolio are not sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding while the Single Portfolio Available Funds relating to one or both of the others Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding or the Single Portfolio Class A Notes Principal Amount Outstanding has already been reduced to zero on a previous Payment Date.

Upon the occurrence of a Disequilibrium Event with respect to one or more Portfolios (unless a Cross Collateral Notice has been served on the Issuer), the Issuer shall be obliged to pay the relevant Principal Amortisation Reserve Amount into the relevant Principal Amortisation Reserve Account in accordance with the Pre-Acceleration Order of Priority. Such Principal Amortisation Reserve Amount shall be drawn only from the Portfolios in relation to which a Disequilibrium Event has not occurred.

4.3 On each Payment Date with respect to which the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority applies, but excluding any Payment Date in relation to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders that a Detrimental Event has occurred, the Issuer shall be obliged to credit the Detrimental Reserve Amount into the Detrimental Reserve Account, in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority.

A Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) when (i) the Default Ratio, as at any Collection Date, is higher than the Cumulative Target Default Ratio; or (ii) the aggregate balance of the Cash Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Cash Reserve SubAccounts on such Payment Date) and of the Additional Reserve SubAccounts (calculated taking into account any amount to be paid into and out of the Additional Reserve SubAccounts on such Payment Date) are less than 70% (seventy per cent) of the Global Target Cash Reserve Amounts.

4.4 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, but excluding any Payment Date in relation to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders, that a First Single Portfolio Detrimental Event has occurred with respect to one or more of the Portfolios, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to the Relevant Portfolio into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

A First Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the Single Portfolio Default Ratio, as at any Collection Date, is higher than the Single Portfolio Target Default Ratio.

Upon the occurrence of a First Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date on which such event is continuing, the Issuer shall be obliged to credit the First Single Portfolio Detrimental Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Detrimental Reserve Account. Such First Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a First Single Portfolio Detrimental Event has occurred.

4.5 On each Payment Date with respect to which the Pre-Acceleration Order of Priority applies, but excluding any Payment Date in relation to which a Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the Representative of the Noteholders, that a Second Single Portfolio Detrimental Event has occurred with respect to one or more of the Portfolios, the Issuer shall be obliged to credit the Second Single Portfolio Detrimental Reserve Amount into each Relevant Additional Reserve SubAccount. Such Second Single Portfolio Detrimental Reserve Amount shall be drawn only from the Portfolios in relation to which a Second Single Portfolio Detrimental Event has not occurred.

A Second Single Portfolio Detrimental Event shall occur with respect to a Payment Date (other than a Payment Date on which the Class A Notes are redeemed in full) and to a Portfolio, when the aggregate of the Relevant Cash Reserve (calculated taking into account any amount to be paid into and out of the Relevant Cash Reserve SubAccount on such Payment Date) and of the Relevant Additional Cash Reserve (calculated taking into account any amount to be paid into and out of the Relevant Additional Reserve SubAccount on such Payment Date) is less than 50% (fifty per cent) of the Relevant Global Target Cash Reserve Amount.

4.6 Acceleration Order of Priority

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 the applicable legislation and

regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account, (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Stichting Corporate Services Provider, the Paying Agents, the Cash Manager, the Irish Listing Agent, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicers (*pari passu* and *pro rata* to the extent of the respective amounts thereof) as provided under the Servicing Agreement;

Sixth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Class A Notes *(pari passu* and *pro rata* according to the amounts then due);

Eighth, to pay the Principal Amount Outstanding on the Class A Notes to the Class A Noteholders (*pro rata* according to the amounts then due);

Ninth, to pay to the not paid Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference (if any);

Tenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims not listed under the Transfer Agreement but matching the criteria listed in the Transfer Agreement and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as restitution of indemnities paid by the Originators under the Warranty and Indemnity Agreement referred under item (*Sixth*) above);

Eleventh, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other items of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG or CR Saluzzo under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Twelfth, to pay the Interest Amount on the Class B Notes (*pari passu* and *pro rata* according to

the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Thirteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Fourteenth, following full redemption of the Class A Notes, to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Fifteenth, to pay the relevant Outstanding Notes Ratio of any surplus to the Originators including any surplus remaining on the balance of the Payments Account (*pari passu* and *pro rata* according to the amount then due).

4.7 Cross Collateral Order of Priority

Following the delivery of a Cross Collateral Notice (and before the delivery of a Trigger Notice), the Issuer 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):

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 the applicable legislation and regulations or to fulfil payment obligations of the Issuer to third parties (not expressly included in any following item of this Order of Priority) incurred in relation to this Securitisation to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Payments Account (ii) all costs and taxes required to be paid to maintain the rating of the Class A 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;

Second, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Representative of Noteholders, the Security Trustee and any receiver appointed under the Deed of Charge;

Third, to pay into the Payments Account an amount equal to the Retention Amount;

Fourth, to pay (*pari passu* and *pro rata* to the extent of the respective amounts thereof) the fees, expenses and all other amounts due to the Computation Agent, the Irish Listing Agent, the Italian Account Bank, the English Account Bank, the Agent Bank, the Paying Agents, the Cash Manager, the Stichting Corporate Services Provider, the Back-Up Servicer Facilitator, the Back-Up Servicers and the Corporate Services Provider;

Fifth, to pay any fees and expenses of the Servicers as provided under the Servicing Agreement;

Sixth, to pay to the Originators any amount due by the Issuer as a restitution of the indemnities paid by any of the Originators to the Issuer under clause 5.3 of the Warranty and Indemnity Agreement;

Seventh, to pay the Interest Amount on the Class A Notes (*pari passu* and *pro rata* according to the amounts then due);

Eighth, (i) to pay the Class A Notes Principal Payment Amount to the Class A Noteholders

(*pari passu* and *pro rata* according to the amounts then due) or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class A Notes on such Payment Date;

Ninth, first to credit *pari passu* and *pro rata* according to the amounts then due each Cash Reserve SubAccount with the amount required, if any, such that each Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount; and thereafter (ii) to credit *pari passu* and *pro rata* according to the amounts then due each Additional Reserve SubAccount with the amount required, if any, such that the Relevant Additional Cash Reserve (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Additional Cash Reserve Amount;

Tenth, on any Payment Date with respect to which a Detrimental Event has occurred, to pay the Detrimental Reserve Amount into the Detrimental Reserve Account;

Eleventh, to pay to each Originator (*pari passu* and *pro rata* according to the amounts then due) the relevant Portfolio Difference according to the amounts then due (if any);

Twelfth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts the due) any amount due and payable in respect of purchase price adjustments due in relation to their respective Claims, not listed under the relevant Transfer Agreement but matching the criteria listed in the Transfer Agreement, and any amount due and payable by the Issuer pursuant to the Warranty and Indemnity Agreement (save for amounts due and payable as a restitution of indemnities paid by the Originator of such Portfolio, referred to under item (*Sixth*) above);

Thirteenth, to pay to the Originators (*pari passu* and *pro rata* according to the amounts then due) any other amount due and payable to (a) the relevant Originator, pursuant to the relevant Transfer Agreement and the other Transaction Documents (including amounts due in respect of the Interest Accruals pursuant to clause 4.4 of the relevant Transfer Agreement), (b) the relevant Servicer pursuant to the Servicing Agreement, in each case to the extent not already paid under other item of the Order of Priority and (c) to Banca CR Savigliano, Banca MCFVG, or CR Saluzzo under any role other than as Originator, pursuant to the Transaction Documents, and not expressly set forth in any other items (including the amounts due to Banca CR Savigliano, Banca MCFVG or CR Saluzzo (as the case may be) pursuant to clause 8 of the Notes Subscription Agreement);

Fourteenth, to pay the Interest Amount on the Class B Notes (*pro rata* according to the amounts then due), in any case, with respect to each Series of Class B Notes, in an amount equal to the relevant Single Series Class B Notes Interest Amount;

Fifteenth, to pay the Single Series Class B Notes Additional Interest Payment Amount due and payable on each Series of Class B Notes, in each case to the extent such interest is due and payable on such Payment Date (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

Sixteenth, following full redemption of the Class A Notes, (i) to pay the relevant Single Series Available Class B Notes Redemption Funds to the Class B Noteholders (in no order of priority *inter se* but *pro rata* to the extent of the respective amounts thereof); or (ii) in case of Optional Redemption or Redemption for Taxation, to pay the Principal Amount Outstanding of the Class B Notes on such Payment Date;

Seventeenth, 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 relevant Single Portfolio Detrimental Reserve Account, Cash Reserve Account, Collections and Recoveries Accounts and Principal Amortisation Reserve Account and the relevant

Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account and the Detrimental Reserve Account to each relevant Originator,

provided however that, should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Issuer Available Funds towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the Servicing Fees due under item (*Fifth*)) of the Cross Collateral Order of Priority, as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates.

4.8 Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the Portfolios in the event of a shortfall of the Single Portfolio Available Funds (being augmented through the Relevant Cash Reserve) and therefore the Relevant Cash Reserve will be included in the Single Portfolio Available Funds, to meet any shortfall in the Single Portfolio Available Funds (calculated without taking into account the amounts under item (x) of such Single Portfolio Available Funds) in respect of payments ranking as items (*First*) to (*Seventh*) of the Pre-Acceleration Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date.

Each of the Banca CR Savigliano Cash Reserve, the Banca MCFVG Cash Reserve and CR Saluzzo Cash Reserve on any Payment Date shall be utilised:

(i) firstly, respectively, to augment the Single Portfolio Available Funds of the Relevant Portfolio so as to meet the relevant Single Interest Shortfall, and

(ii) thereafter (to the extent not utilised under item (i)), to augment the Single Portfolio Available Funds in respect of the other Portfolios in case any of the other Relevant Cash Reserves is not sufficient to meet its respective Single Interest Shortfall.

In the event that any of the Cross Collateral Order of Priority or the Acceleration Order of Priority becomes applicable and until full repayment of the Class A Notes, the Cash Reserve shall provide support with respect to the aggregate of all the Portfolios in case of a shortfall of the Issuer Available Funds available on any Payment Date for payment of all amounts due to be paid by the Issuer on such Payment Date. In particular, the Cash Reserve will be included in the Issuer Available Funds to meet any shortfall in the Issuer Available Funds (calculated without taking into account the amounts under item (xii) of such Issuer Available Funds), in respect of payments ranking as (*First*) through (*Seventh*) of the Cross Collateral Order of Priority; *provided that* such amounts could be fully utilised if by doing so the Class A Notes will be fully redeemed on that Payment Date and on any Payment Date on which the Acceleration Order of Priority applies.

If, on any Calculation Date it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each relevant amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date (less any amount which shall be used at the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (each relevant amount, the "**Banca CR Savigliano Cash Reserve Excess**", the "**Banca MCFVG Cash Reserve Excess**" and the "**CR Saluzzo Cash Reserve Excess**"

each a "**Cash Reserve Excess**") (if any) shall, on the Payment Date on which the Class A Notes are redeemed in full, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

On any Calculation Date (other than the Calculation Date on which it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve SubAccounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date), the difference, if positive, between (i) the amount standing to the credit of each Relevant Cash Reserve SubAccount on the Business Day following the immediately preceding Payment Date and (ii) the Target Cash Reserve Amount applicable to the immediately following Payment Date (each relevant amount, the "**Banca CR Savigliano Cash Reserve Amortisation Amount**", the "**Banca MCFVG Cash Reserve Amortisation Amount**" and the "**CR Saluzzo Cash Reserve Amortisation Amount**" each a "**Cash Reserve Amortisation Amount**") (if any) shall, on the immediately following Payment Date, form part of the Single Portfolio Available Funds of the Relevant Portfolio.

5. INTEREST

5.1 Payment Dates and Interest Periods

Subject to Condition 1 (*Form, Denomination, Status*) 5.2 (*Interest Rate*) and 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*), each of the Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at an annual rate equal to Three Month EURIBOR (as defined below), plus, in respect of the Class A Notes, the Class A Margin. Save as provided for in Condition 5.8 (*Interest Amount Arrears*) interest in respect of the Notes is payable quarterly in arrears on each Payment Date in Euro.

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.

In addition, the Class B Notes bear in each Interest Period an additional interest in the amount of the Single Series Class B Notes Additional Interest Payment Amount.

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 rate of interest from time to time applicable to the Notes until the monies in respect thereof have been received by the Representative of the Noteholders and the Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect has been given in accordance with Condition 13 (*Notices*).

5.2 Interest Rate

Without prejudice to what provided under Condition 5.3 (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*), 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 shall be:

5.2.1 in respect of the Class A Notes, the aggregate of:

(i) (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 appear on Reuters page "EURIBOR01" or (i) such other page as may replace page EURIBOR0l 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 receives a prior written approval from the Representative of the Noteholders to replace the Reuters Page) (the "**Screen Rate**"), at or about 11.00 a.m. (Milan 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 (*References Bank, Principal Paying Agent 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 11.00 a.m. (Milan 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 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 5.2.1 shall have applied ("**Three Month EURIBOR**"); and

(ii) the Class A Margin; and

5.2.2 in respect of the Class B Notes, the Three Month EURIBOR.

For the purpose of these Conditions, the "**Class A Margin**" shall be equal to 0.4% *per annum*.

5.3 Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount

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 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 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 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); provided, in any case, that, following delivery of a Cross Collateral Notice or a Trigger Notice, interest on each Series of Class B Notes shall be due a payable in an amount equal to the relevant Single Series Class B Notes Interest Amount.

5.3.2 The Computation Agent shall, on each Calculation Date:

(i) calculate the Euro amount (the "**Single Series Class B Notes Interest Amount**") accrued on each Series of Class B Notes equal to, on each Payment Date: the lower of: (i) the Interest Amount on such Series of Class B Notes on the relevant Payment Date, and (ii) the Single Portfolio Available Funds of the Relevant Portfolio remaining following payment of any amount due under items from (*First*) to (*Eleventh*) of the Acceleration Order of Priority or under items from (*First*) to (*Thirteenth*) of the Cross Collateral Order of Priority, as applicable. and

(ii) with respect to each Series of Class B Notes, determine the Single Series Class B Notes Additional Interest Payment Amount (if any) applicable on the Payment Date following such Calculation Date.

5.4 Publication of the Interest Rate and the 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, the Corporate Services Provider, Monte Titoli, the Security Trustee, the Principal Paying Agent, Local Paying Agent, the Cash Manager and the Irish Stock Exchange and, if required by the Issuer, to Euroclear and Clearstream, and will cause the same to be published in accordance with Condition 13 (*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 to 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 if the Computation Agent (or the Issuer or any other agent appointed to this purpose by the Issuer) does not determine the Single Series Class B Notes Interest Amount or the Single Series Class B Notes Additional Interest Payment Amount, in accordance with Condition 5.3 (*Determination of the Interest Rate, Calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes*

Additional Interest Payment Amount) above, the Representative of the Noteholders shall (but without incurring, in the absence of willful misconduct (*dolo*) or gross default (*colpa grave*), any liability to any person as a result):

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),

(a) calculate the Interest Amount in the manner specified in Condition 5.3 above (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*);

(b) calculate the Single Series Class B Notes Interest Amount and the Single Series Class B Notes Additional Interest Payment Amount as indicated in Condition 5.3 above (*Determination of the Interest Rate, calculation of the Interest Amount, the Single Series Class B Notes Interest Amount and Single Series Class B Notes Additional Interest Payment Amount*);

and any such determination and/or calculation shall be deemed to have been made by the Principal Paying Agent and/or the Computation Agent as applicable.

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 Principal Paying Agent, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of willful default (*dolo*), gross negligence (*colpa grave*), bad faith and manifest error) be binding on the Reference Banks, the Principal Paying Agent, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in the absence of willful default (*dolo*) and gross negligence (*colpa grave*)) no liability to the Noteholders shall attach to the Reference Banks, the Principal Paying Agent, 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, Principal Paying Agent, Local Paying Agent 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 Principal Paying Agent, the Local Paying Agent and the Agent Bank. In the event that any of the Reference Banks is unable or unwilling to continue to act as a Reference Bank or that any of the Reference Banks 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 ensure that at all times a principal paying agent is appointed. If a new principal paying agent is appointed, a notice will be published in accordance with Condition 13 (*Notices*).

5.8 Interest Amount Arrears

Without prejudice to Condition 1 (*Form, Denomination, Status*) and to the right of the Representative of the Noteholder to serve to the Issuer a Trigger Notice pursuant to Condition 9.1(a) (*Non Payment*), in the event that the Single Portfolio Available Funds or the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration

Order of Priority, as applicable) for the payment of interest on any of 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 any of the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

5.9 The Local Paying Agent, 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 13 (*Notices*), no later than 3 (three) Business Days prior to any Payment Date, of any Payment Date on which the Interest Amount on the Class A 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 full the Notes at their Principal Amount Outstanding, on the Final Maturity Date.

The Issuer may not redeem the Class A 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, but without prejudice to Condition 9 (*Trigger Events*).

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, the Noteholders in accordance with Condition 13 (*Notices*), to the effect that the Issuer:

A. (also through 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. (also through the Issuer's Agent) 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 Securitisations; and in each case will have 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 Conditions 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 (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 Class A Notes will be subject to mandatory redemption in full or in part:

(a) on any Payment Date (other than the Payment Date under item (b) below) in a maximum amount equal to their Principal Payment Amount with respect to such Payment Date;

(b) on any Payment Date: (i) following the delivery of a Trigger Notice pursuant to Condition 9 (*Trigger Events*); (ii) in the case of Redemption for Taxation pursuant to Condition 6.2 (*Redemption for Taxation*); or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4 (*Optional Redemption*), at their Principal Amount Outstanding;

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

Upon redemption of the Class A Notes, each Series of the Class B Notes will be subject to mandatory redemption in full or in part, on any Payment Date, at their Principal Amount Outstanding, in a maximum amount equal to the relevant Single Series Class B Available Redemption Funds if, on the Calculation Date preceding such Payment Date, it is determined that there will be sufficient Single Portfolio Available Redemption Funds or Issuer Available Funds which may be applied for this purpose in accordance with the Pre-Acceleration Order of Priority, the Cross Collateral Order of Priority or the Acceleration Order of Priority, as applicable.

6.4 Optional Redemption

The Issuer may redeem on any Payment Date falling on or after the Clean-Up Date:

(i) the Notes in whole (but not in part) at their respective Principal Amount Outstanding, together with interest accrued and unpaid thereon up to the date fixed for redemption; or

(ii) with the prior consent of the Class B Noteholders, the Class A Notes only at their Principal Amount Outstanding, together with interest accrued and unpaid thereon up to the date fixed for redemption.

"**Clean-Up Date**" means the Payment Date falling on or after August 2017.

Such Optional Redemption shall be effected by the Issuer giving not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 13 (*Notices*) and provided that the Issuer, prior to giving such notice to the Representative of the Noteholders, 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 Notes and any amounts required under the Intercreditor Agreement

and the Conditions to be paid in priority to or *pari passu* with such Class of Notes (to be redeemed) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* thereto).

6.5 Funding for Optional Redemption and for Redemption for Taxation

The Issuer is entitled to dispose of the Claims in order to (a) finance the Optional Redemption of the Notes or (b) finance the Redemption for Taxation of the Class A Notes or the Notes, as the case may be. Should the above sale occur, the amounts therefrom will be included in the Single Portfolio Available Funds or in the Issuer Available Funds, as applicable, on the relevant Payment Date.

6.6 Sale of the Portfolios

In case of sale of the Portfolios pursuant to Conditions 6.5 (*Funding for Optional Redemption and for Redemption for Taxation*) and 9 (*Trigger Events*), the purchase price of the Claims shall be equal to the Outstanding Balance plus interests accrued and unpaid as at such date.

If the Portfolios comprise any Defaulted Claim or any Claim classified as "*incagliato*" pursuant to the regulation issued by the Bank of Italy ("*Istruzioni di Vigilanza*"), the purchase price of such Claims shall be equal to their current value, as determined by one or more third parties chosen between international accounting companies independent from the purchaser and appointed by common consent by the Issuer and the Representative of the Noteholders.

Within the date of payment of the purchase price related to the sale of the Claims above described, the relevant purchaser shall deliver to the Issuer (or to the Representative of the Noteholders, in case of sale of the Portfolios after the service of a Trigger Notice): (i) a certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) dated not later than 10 (ten) days before the date of the sale of the Portfolios; (ii) a solvency certificate signed by a legal representative duly authorized by the purchaser, dated the date of the sale of the Portfolios; and (iii) except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also (a certificate from the appropriate bankruptcy court ("*tribunal civile – sezione fallimentare*") confirming that no insolvency petitions have been filed against such potential purchaser, dated not later than 10 (ten) days before the date of the sale of the Portfolios.

The transfer of the Portfolios pursuant to this Condition 6.6 (*Sale of the Portfolios*) 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 Portfolios shall be subject to payments to the Issuer of the relevant purchase price, provided that all the documentation listed in this Condition 6.6 (*Sale of the Portfolios*) has been timely delivered to the Issuer.

In addition, following the delivery of a Trigger Notice, the Representative of the Noteholders shall be entitled to sell the Portfolios acting in accordance with the provisions of the Intercreditor Agreement.

In any case neither the Issuer nor the Representative of the Noteholders will be allowed to sell the Portfolio in case a bankruptcy or similar proceeding has been commenced against the Issuer or in any other case such a sale would be prohibited under Italian law.

Any cost and expense related to the transfer of the Claims shall be borne by the purchaser.

6.7 Notice of Redemption

Any such notice as is referred to in Condition 6.4 (*Optional Redemption*) and 6.2 (*Redemption for Taxation*) 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*). The Issuer or the Representative of the Noteholder, as the case may be, will give a notice to the Rating Agencies of the redemption of the Class A Notes pursuant to Conditions 6.2 (*Redemption for Taxation*), 6.3 (*Mandatory Redemption*) or 6.4 (*Optional Redemption*).

6.8 Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines (on the Issuer's behalf), *inter alia*:

(a) the amount of the Issuer Available Funds, the Available Class A Notes Redemption Funds;

(b) the Principal Amount Outstanding of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on the Notes on that Payment Date);

(c) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Interest Amount;

(d) with respect to each Series of Class B Notes, the amount of the relevant Single Series Class B Notes Additional Interest Payment Amount;

(e) with respect to each Portfolio: (i) the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); (ii) the relevant Single Portfolio Class A Notes Principal Amount Outstanding, Single Portfolio Class A Notes Principal Payment Amount; (iii) the Single Series Available Class B Notes Redemption Funds;

(f) the amount of the Principal Amortisation Reserve Amount, the Detrimental Reserve Amount (if any) or the First Single Portfolio Detrimental Reserve Amount (if any), or the Second Single Portfolio Detrimental Reserve Amount (if any), the Additional Target Cash Reserve Amounts, the Target Cash Reserve Amounts, each Cash Reserve Amortisation Amount (if any), each Cash Reserve Excess and the amount of each Cash Reserve that shall be utilized to augment the Issuer Available Funds and the Single Portfolio Available Funds;

(g) all payments due to be done by the Issuer on the immediately following Payment Date and, within the Payments Report Date, deliver to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Servicers, the Italian Account Bank, the English Account Bank, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank, the Rating Agencies, the Back-Up Servicer Facilitator and the Irish Listing Agent a payments report setting out all such payments and the occurrence of any Cross Collateral Event in the form which shall be agreed by the Parties (the "**Payments Report**"),

should the Quarterly Servicing Report not be provided by any of the Servicers within the third Business Day following the Quarterly Servicing Report Date, the Computation Agent shall prepare the Payments Report in order to apply on the following Payment Dates, the Single Portfolio Available Funds or the Issuer Available Funds (as the case may be) towards payment only of items from (*First*) to (*Seventh*) (but excluding for the avoidance of doubt the

Servicing Fees due under item (*Fifth*)) of the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority, as the case may be as resulting from **(i)** the statements of accounts issued with respect to each of the Accounts at the end of the previous Collection Period, **(ii)** in relation to the Eligible Investments the report indicated under last paragraph of clause 8.3 of the Cash Administration and Agency Agreement. On the first Payment Date following receipt of all the Quarterly Servicing Reports the Computation Agent shall prepare the Payments Report also taking into account those amounts not correctly applied on the preceding Payment Dates. Each determination by or on behalf of the Issuer of any of the item above, the payment of principal on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of willful default, gross negligence, bad faith and manifest error) be final and binding on all persons.

The Issuer shall or procure that the Computation Agent shall, no later than each Calculation Date, cause each determination of (i) the amount of Issuer Available Funds or Single Portfolio Available Funds which shall be paid to the Principal Paying Agent on the relevant date for application to repay principal and interest under the Notes; (ii) the amount of principal payment (if any) due to be made on each Class of Notes on the next following Payment Date, (iii) the amount of interest with respect to each Class of Notes to be paid on the following Payment Date, and (iv) the Principal Amount Outstanding of each Class of Notes after deduction of the amounts of principal to be made on the immediately following Payment Date to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Corporate Services Provider, the Servicers, the Italian Account Bank, the English Account Bank, Euroclear, Clearstream, the Irish Stock Exchange, the Principal Paying Agent, the Local Paying Agent, the Cash Manager, the Agent Bank and Monte Titoli and shall cause notice of such determination to be given to the Noteholders in accordance with Condition 13 (*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 13 (*Notices*).

The Computation Agent pursuant to the Cash Admistration and Agency Agreement on each Calculation Date, shall verify:

(a) whether a Disequilibrium Event provided for in Condition 4.2, a Detrimental Event provided for in Condition 4.3 or a First Single Portfolio Detrimental Event provided for in Condition 4.4 or a Second Single Portfolio Detrimental Event provided for in Condition 4.5 have occurred as at such Calculation Date;

(b) that on the following Payment Date and based on the calculations made by it the Trigger Event provided for in Condition 9.1(a)(ii) will not occur; and

(c) that none of the Cross Collateral Event provided for in Condition 10 (*Cross Collateral Events*) have occurred as at such Calculation Date;

(d) if the Cash Reserve Release Conditions are met.

The Computation Agent pursuant to the Cash Admistration and Agency Agreement shall, in case a First Single Portfolio Detrimental Event and/or a Second Single Portfolio Detrimental Event and/or a Disequilibrium Event and/or a Detrimental Event with respect to one or more Portfolios has occurred, on the Business Day immediately following each Calculation Date, give the Issuer and the English Account Bank written notice (anticipated via *facsimile*) of such occurrence (respectively, the "**First Single Portfolio Detrimental Event Notice**", the "**Disequilibrium Event Notice**" and the "**Detrimental Event Notice**"). By the First Single Portfolio Detrimental Event Notice and/or the Disequilibrium Event Notice and/or the Detrimental Event Notice, the Computation Agent shall instruct (in the name and on behalf of the Issuer) the English Account Bank to open, respectively, the relevant Single Portfolio

Detrimental Reserve Account and/or Principal Amortisation Reserve Account.

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 6.8, such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Representative of Noteholders in accordance with this Condition 6.8 and each such determination shall be deemed to have been made by the Issuer.

In any case, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Redemption, Purchase and Cancellation*) by the Representative of the Noteholders shall (in the absence of manifest error, willful default (*dolo*) or gross negligence (*colpa grave*)) be binding on the Issuer and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to 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.

6.9 No purchase by Issuer

The Issuer shall not purchase any of the Notes.

6.10 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) 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 of the Portfolios, the date on which 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 Single Portfolio Available Funds or the Issuer Available Funds on such date in accordance with the applicable Order of Priority).

7. PAYMENTS

7.1 The Paying Agents shall arrange for payment of principal and interest in respect of the Notes to be made through the relevant operators of Monte Titoli, Clearstream and Euroclear to the accounts of the beneficial owners of the Notes with such operators in accordance with the rules and procedures of Monte Titoli, Clearstream and Euroclear, as the case may be.

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 If the due date for any payment of principal and/or interest (or any later date on which any Note could otherwise be presented for payment) is not a Business Day, the Noteholders will not be entitled to payment of the relevant amount until the immediately following Business Day. The Noteholders will not be entitled to any interest or other payment in consequence of any delay in receiving the amount due as a result of the due date not being a Business Day.

7.4 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Local Paying Agent and the Principal Paying Agent and to appoint additional or other paying agents including the Local Paying Agent and the Principal Paying Agent.

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 45 days prior notice to be given to the Noteholders of any replacement of the Paying Agents or (ii) an at least 30 days prior notice to be given to the Noteholders of any change of the registered office of the Local Paying Agent or Specified Office of the Principal Paying Agent, both under (i) and (ii) above in accordance with Condition 13 (*Notices*).

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

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

(a) *Non-payment:*

(i) having enough Single Portfolio Available Funds or Issuer Available Funds available to it to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, the Issuer defaults in the payment of the amount of principal then due and payable on the Class A Notes, or following redemption of the Class A Notes the amount of principal or interest then due and payable on the Class B Notes, in each case for a period of five Business Days from the due date thereof (*provided however that*, for the avoidance of doubt, non payment of principal on the Notes (on any Payment Date other than the Final Maturity Date), due to any of the Servicers not having provided the Quarterly Servicing Report and in accordance with Condition 4.1 (*Pre-Acceleration Order of Priority*) or Condition 4.7 (*Cross Collateral Order of Priority*) shall not constitute a Trigger Event);

(ii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority as applicable, on any Payment Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Most Senior Class of Notes is lower than the relevant Interest Amount;

(iii) irrespective of whether there are Single Portfolio Available Funds or Issuer Available Funds available to it sufficient to make such payment in accordance with the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority (as applicable), the Issuer defaults in the payment of the Principal Amount Outstanding of the Class A Notes on the Final Maturity Date; 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 Most Senior Class of Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and such default remains unremedied for 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially detrimental to the interests of the Noteholders of the Most Senior Class of Notes 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 when made or deemed to be made; or

(d) *Insolvency*:

An Insolvency Event occurs with respect to the Issuer; or

(e) *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;

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 requested in writing by an Extraordinary Resolution of the Class A Noteholders (or following redemption of the Class A Notes, the Class B Noteholders) 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 requested in writing by an Extraordinary Resolution of the Class A Noteholders (or following redemption of the Class A Notes, the Class B Noteholders) in case of any other Trigger Event,

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

Upon the service of a Trigger Notice as described in this Condition 9 (*Trigger Events*): (i) the Notes shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued at such date but which has not been paid on any preceding Interest Payment Date, without further action, notice or formality; (ii) if the Issuer fails to pay any amounts due and payable under item (i), the Deed of Pledge and the Deed of Charge shall become enforceable; and (iii) the Representative of the Noteholders may or shall, subject to Condition 11 (*Enforcement*) and provided that no Bankruptcy Proceedings (other than Bankruptcy Proceedings allowing the disposal of assets by the affected entity) has been commenced against the Issuer, dispose of the Claims in the name and on behalf of the Issuer. Save for the powers attributed to the Security Trustee pursuant to

the Deed of Charge, the Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders from and including the date on which the Notes shall become due and payable.

10. CROSS COLLATERAL EVENTS

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

(a) *Disequilibrium Event*

With respect to three successive Payment Dates, a Disequilibrium Event occurs;

(b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 5.50% (five point fifty percent); or

(c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Principal Single Portfolio Shortfall is equal to or exceeds the Cash Reserve;

(d) *Arrear Ratio*

On any Calculation Date, the arithmetic mean of the Arrear Ratios of the four preceding Collection Periods (each calculated in the relevant Collection Date) exceeds 7%. For the avoidance of doubt the first calculation of such mean will be on 5 August 2014;

then the Representative of the Noteholders shall, subject to it being indemnified and/or secured to its satisfaction, serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to the Servicers) and from the immediately following Payment Date the Cross Collateral Order of Priority shall apply without any further action or formality (provided that a Trigger Notice has not been already served).

11. 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 a 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*) or Condition 10 above (*Cross Collateral Events*), by the Representative of the Noteholders shall (in the absence of willful default, gross negligence, bad faith or manifest error) 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.

12. THE REPRESENTATIVE OF THE NOTEHOLDERS

12.1 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.

12.2 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.

12.3 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.

12.4 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. The Representative of the Noteholders appointed pursuant to the Notes Subscription Agreement is Accounting Partners S.r.l. and any successor as 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 106 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.

12.5 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 Class A 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.

13. 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 (which shall be notified by the Issuer to the Paying Agents) 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.

14. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the Relevant Date in respect thereof.

15. GOVERNING LAW AND JURISDICTION

15.1 The Notes and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

15.2 With the exception of the Deed of Charge which is governed by English law and the Stichting Corporate Services Agreement which is governed by Dutch law, all the Transaction Documents and all non-contractual obligations arising out or in connection with them are governed by and shall be construed in accordance with Italian law.

15.3 The Courts of Milan shall have exclusive jurisdiction to settle any disputes (including all non contractual obligations arising out or in connection with the Notes) 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 and the Class B Notes.

"**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 Alchera SPV 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; and

(c) otherwise, in the case of a joint Meeting of more than one Class, 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 Citibank N.A., London 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 in the name and on behalf of a Noteholder.

"**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, one-tenth of the Principal Amount Outstanding of the Notes (in case of a Meeting of a particular Class of Notes) or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the Notes (in case of a Meeting of a particular Class of Notes); or two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of 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;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) 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

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders) one-third of the Principal Amount Outstanding of the outstanding Notes in that Class.

"**Representative of the Noteholders**" means Accounting Partners S.r.l., 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 Agreement 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 and the Deed of Charge.

"**Secured Parties**" means the beneficiaries of the Security Documents.

"**Specified Office**" means the office of (i) the Principal Paying Agent located at Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, or (ii) the Irish Listing Agent located at The Harcourt Building, Harcourt Street, Dublin 2 Ireland, as the case may be.

"**Voter**" means, in relation to any Meeting, any Noteholder or his/her Proxy.

"**Voting Certificate**" means, in relation to any Meeting a certificate issued to the relevant 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 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 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 Classes 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:

(i) Business which in the 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 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 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;

(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 and to the holders of such Notes; and in the case of a joint meeting of the Noteholders of more than one Class, as if references to the Notes and the Noteholders are to the Notes of the relevant Classes and to the holders of the Notes of such Classes.

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 in respect of a Noteholder 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 Notes of the Class or Classes 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, the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 13 (*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:

a. Noteholders representing 100% (hundred per cent) of the Principal Amount Outstanding of the relevant Class or Classes of Notes attend the relevant Meeting; or

b. Noteholders representing 100% (hundred per cent) of the Principal Amount Outstanding of the relevant Class or Classes 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 or Classes.

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 13 (*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 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:

(a) on a show of hands, one vote; and

(b) on a poll, 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 or the Corporate Services Provider, as the case may be, has 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 a 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 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 into, or the cancellation of any of the Notes or any Class, 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) 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);

(h) power to sanction a Basic Terms Modification;

(i) power to authorize or direct the Representative of the Noteholders to serve a Trigger Notice under Condition 9 (*Trigger Events*);

(j) 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*);

(k) with respect to the Class B Notes, power to provide the Issuer with the prior consents provided for by Condition 6.4 (*Optional Redemption*);

(l) power to take any other decision to be passed by way of an Extraordinary Resolution in accordance with 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 (to the extent that the Notes of each such Class 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 Accounting Partners S.r.l.

Any successor of Accounting Partners S.r.l. as Representative of the Noteholders:

(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 substitutive Representative of the Noteholders has entered into the Intercreditor Agreement, the Deed of Pledge and the other relevant Transaction Documents; 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 its own successor, 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 of the Issuer and those who fall within the conditions indicated in article 2382 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, plus VAT if applicable. 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 substitutive Representative of the Noteholders has entered into the Intercreditor Agreement, the Deed of Pledge and the other relevant Transaction Documents. If a new representative of the Noteholders is not appointed by the Meeting sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, *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.

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 thereunder 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 Servicers 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 Principal Paying Agent, the Local Paying Agent, the Agent Bank 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 Class A Notes by the Rating Agencies or any other credit or rating agency 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 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 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 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.

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 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 opinion the Representative of the Noteholders, it may be proper to make, *provided that* (i) the Representative of the Noteholders is of the 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) 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 the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 3.10 (*Further Securitisation*) and which, in the opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes, as long as there are Class A Notes outstanding, and the fact that the execution of the relevant amendment or modification would not adversely affect the current ratings of the Class A Notes shall be conclusive evidence that the requested amendment is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes;

(iv) act on the advice or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of 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 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;

(v) 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;

(vi) 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 gross negligence (*colpa grave*) or willful misconduct (*dolo*);

(vii) 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;

(viii) 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;

(ix) 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(1)(d) (*Insolvency*) 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 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.

(x) 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;

(xi) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

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 (if given) 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 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, approval or waiver 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, approval or waiver may be given retroactively. Any consent, approval or waiver by the Representative of the Noteholders shall be, in any case, notified to the Rating Agencies.

No provision of these Rules and any Transaction Document 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.

The Representative of the Noteholders, acting on behalf of the Secured Parties, may:

(a) appoint and entrust 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) acknowledge that the account(s) to which payments have been made in respect of the pledged claims shall be deposit accounts for the purpose of article 2803 of the Italian Civil Code and agrees that such account(s) shall be operated in compliance with the provisions of the Cash Administration and Agency Agreement and the Intercreditor Agreement;

(c) agree that all funds credited to the relevant 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 the Accounts (except the Quota Capital Account and the Payments Account) may be used for investments in Eligible Investments;

(d) agree that cash deriving from time to time from the pledged claims and the amounts standing to the credit of the relevant Accounts shall be applied in and towards satisfaction of amounts due to the Secured Parties according to the applicable Order of Priority.

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 costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (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 by any Persons appointed by it to whom any power, authority or discretion may be delegated by it, in relation to the preparation and execution of, the 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 legal and travelling expenses and any 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 because of the fraud, negligence or wilful misconduct of the Representative of the Noteholders.

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, 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.

In addition, it is hereby acknowledged that the Representative of the Noteholders, pursuant to the Intercreditor Agreement, (i) upon service of a Trigger Notice, shall be entitled to receive, in the name and on behalf of the Noteholders and the Other Issuer Creditors, any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors, and (ii) upon the security created under the Deed of Charge and the pledge created under the Deed of Pledge becoming enforceable in accordance with their terms, shall be entitled, *inter alia*, to collect, in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all cash deriving from time to time from the Deed of Charge and the Deed of Pledge as well as all proceeds from the enforcement thereof.

TITLE V - DISPUTES RESOLUTIONS

Article 32 (*Law and Jurisdiction*)

These Rules and all non-contractual obligations arising out or in connection with them 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, as well as all non contractual obligations arising out or in connection with the present Rules, 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 a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of Law 130 and all amounts paid by the assigned debtors in respect of the receivables 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.

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.

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 and by article 4 of Law 130. According to the prevailing interpretation of such provisions, 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.

As of the date on which the formalities set forth by Law 130 have been complied with, 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 receivables;

(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 receivables will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the receivables, 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 receivables 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 receivables and to meet the costs of the transaction.

Notice of the assignment of the receivables pursuant to the Transfer Agreements has been published in the Official Gazette No. 69 on 13 June 2013, and filed for publication in the companies' register of Milan on 14 June 2013.

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, 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 Agreements) 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 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, because the ultimate consequence of the declaration of ineffectiveness of payments under Article 65 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*".

In this regard, it has to be noted that a recent case from the Italian Supreme Court (judgment no. 19978 of July 18th 2008 specifically regarding the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*)) has stated that Article 65 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 (as set forth by the provisions regulating the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*)). Consequently, based on the above court decision, payments received under the loans granted in accordance with article 38 and sub. of the Consolidated Banking Act (*mutui fondiari*) included in the Portfolios would not be subject to claw back under Article 65.

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 catastal*i), which usually take some time to obtain. Law No. 302 should reduce the duration of the enforcement 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. The court will then order the sale by auction. The court determines on the basis of the expert's appraisal 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 the 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 two point five *per cent.* (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.

ARTICLE 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 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 ten 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 struck 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.

On 20 March 2013, the terms within which the request for the Suspension according to the New PMI Convention could be requested has been extended until 30 June 2013.

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 fulfill 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 debtor’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 who 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 favorable 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 Offering Circular 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 Class A Noteholders (and, in certain cases, depending on the status of the Class A 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 Class A 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 calculation 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 Class A Noteholders who are Italian resident pension funds will be included in the calculation of the taxable basis of Pension Fund Tax.

The 20 percent. *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 37bis 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 clients as of 1 January 2012 ("Statement Duty"). The statement is deemed to be sent to the clients once a year, irrespective of any legal or contractual obligation to do so. The Statement Duty is levied at the rate of 0.15 percent (but in any case not exceeding € 4.500,00 only for entities other than individuals). 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 clients, 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 clients 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 clients 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 to be entered into on or before the Issue Date between the Issuer, the Subscribers, the Representative of the Noteholders and the Co-Arrangers, (i) Banca CR Savigliano, Banca MCFVG and CR Saluzzo shall subscribe and pay the Issuer for the Class A Notes; and (ii) Banca CR Savigliano shall subscribe and pay for the Class B1 Notes, Banca MCFVG shall subscribe and pay for the Class B2 Notes and CR Saluzzo shall subscribe and pay for the Class B3 Notes. Furthermore, each of the Originators 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 the 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 article 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 of the Notes of the relevant Class or Classes 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 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 122-*bis*(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 122-*bis* 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 122-*bis* 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 122-*bis* (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 of any Notes or distribution or publication of any prospectus, form of application, prospectus (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 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 122-*bis* 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. 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 13 May 2013. 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 list the Class A Notes on the Irish Stock Exchange.

CLEARING SYSTEMS

The Class A 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 Class A Notes are as follows:

	Common Code	**ISIN**
Class A Notes	094774136	IT0004937840
Class B1 Notes		IT0004937907
Class B2 Notes		IT0004937949
Class B3 Notes		IT0004937964

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 or profitability 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 2013) 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 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 (as set forth in Condition 13 (*Notices*)) and on a quarterly basis via the Computation Agent's internet website currently located at www.accountingpartners.it (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, the Representative of the Noteholders and at the Specified Office of the Irish Listing Agent, at any time after the Issue Date and so long as any of the Notes remain listed on 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 first set of annual financial reports will be those related to the financial year ending on 31 December 2013. No interim financial statements will be produced by the Issuer;

(c) the Servicers' 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 Servicers;

(d) the Investors Report, which has a quarterly frequency, setting forth the performance of the Portfolio and amounts paid, payable and/or unpaid on the Notes in respect to each Payment Date prepared by the Computation Agent;

(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 Transfer Agreements;

(vii) the Servicing Agreement;

(viii) the Warranty and Indemnity Agreement;

(ix) the Deed of Charge;

(x) the Deed of Pledge;

(xi) the Back-Up Servicing Agreement;

(xii) the Stichting Corporate Services Agreement; and

(xiii) this Offering Circular.

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 659,450,000. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 153,000 plus VAT per annum. The upfront expenses for admission to trading of the Class A Notes will amount to Euro 5,190 plus VAT.

HOME MEMBER STATE FOR THE PURPOSE OF THE TRANSPARENCY DIRECTIVE

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**").

The ISSUER

Alchera SPV S.r.l.
Via Statuto, 10
20121 Milano
Italy

ORIGINATORS, SERVICERS and BACK-UP SERVICERS

BANCA CASSA DI RISPARMIO DI SAVIGLIANO S.P.A. Piazza del Popolo, 15 12038 Savigliano (CN) Italy	**BANCA MEDIOCREDITO DEL FRIULI VENEZIA GIULIA S.P.A.** Via Aquileia, 1 33100 Udine Italy	**CASSA DI RISPARMIO DI SALUZZO S.P.A.** Corso Italia 86 12037 Saluzzo (CN) Italy

PRINCIPAL PAYING AGENT, AGENT BANK, ENGLISH ACCOUNT BANK AND CASH MANAGER

CITIBANK N.A., LONDON BRANCH
Citygroup Centre,
Canada Square, Canary Wharf
London, E14 5LB
United Kingdom

LOCAL PAYING AGENT and ITALIAN ACCOUNT BANK **CITIBANK N.A., MILAN BRANCH** Via dei Mercanti 12, 20121 Milano Italy	**BACK-UP SERVICER FACILITATOR** **ACCOUNTING PARTNERS S.R.L.** Via Statuto, 10 20121 Milano Italy

REPRESENTATIVE OF THE NOTEHOLDERS, SECURITY TRUSTEE, CORPORATE SERVICE PROVIDER and COMPUTATION AGENT

ACCOUNTING PARTNERS S.R.L.
Via Statuto, 10
20121 Milano
Italy

STICHTING CORPORATE SERVICES PROVIDER **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** 3rd Floor - 1 King's Arms Yard London EC2R 7AF United Kingdom	**IRISH LISTING AGENT** **INVESTEC CAPITAL & INVESTMENTS (IRELAND) LIMITED** The Harcourt Building, Harcourt Street, Dublin 2 Ireland

CO-ARRANGERS

A & F S.A. 48, Boulevard Grande Duchesse Charlotte L-1330 Luxembourg GD Luxembourg	**EIDOS PARTNERS S.R.L.** Via Santo Spirito 14 20121 Milano Italy

LEGAL ADVISERS

TO THE ISSUER AND THE ARRANGER AS TO ITALIAN LAW **ORRICK, HERRINGTON & SUTCLIFFE** Piazza della Croce Rossa, 2 00161 Roma Italy	**TO THE ISSUER AND THE ARRANGER AS TO ENGLISH LAW** **ORRICK, HERRINGTON & SUTCLIFFE** 107 Cheapside London, EC2V 6DN DX: 557 London/City United Kingdom