

**PROSPECTUS**  
**CREDICO FINANCE 10 S.R.L.**

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

**Euro 1,333,200,000 Class A Asset Backed Floating Rate Notes due October 2050**

**Issue Price: 100%**

**Euro 249,256,000 Class B Asset Backed Floating Rate Notes due October 2050**

**Issue Price: 100%**

This prospectus (the "**Prospectus**" or the "**Offering Circular**") contains information relating to the issue by Credico Finance 10 S.r.l., a limited liability company organised under the laws of the Republic of Italy (the "**Issuer**") of Euro 1,333,200,000 Class A Asset Backed Floating Rate Notes due October 2050 (the "**Class A Notes**" or the "**Senior Notes**"). In connection with the issue of the Class A Notes the Issuer will issue 30 series of junior notes for an aggregate amount of Euro 249,256,000 divided as follows: Euro 5,769,000 Class B1 Asset Backed Floating Rate Notes due October 2050 (the "**Class B1 Notes**"), Euro 6,041,000 Class B2 Asset Backed Floating Rate Notes due October 2050 (the "**Class B2 Notes**"), Euro 22,516,000 Class B3 Asset Backed Floating Rate Notes due October 2050 (the "**Class B3 Notes**"), Euro 17,711,000 Class B4 Asset Backed Floating Rate Notes due October 2050 (the "**Class B4 Notes**"), Euro 7,450,000 Class B5 Asset Backed Floating Rate Notes due October 2050 (the "**Class B5 Notes**"), Euro 4,108,000 Class B6 Asset Backed Floating Rate Notes due October 2050 (the "**Class B6 Notes**"), Euro 3,313,000 Class B7 Asset Backed Floating Rate Notes due October 2050 (the "**Class B7 Notes**"), Euro 4,632,000 Class B8 Asset Backed Floating Rate Notes due October 2050 (the "**Class B8 Notes**"), Euro 11,152,000 Class B9 Asset Backed Floating Rate Notes due October 2050 (the "**Class B9 Notes**"), Euro 14,577,000 Class B10 Asset Backed Floating Rate Notes due October 2050 (the "**Class B10 Notes**"), Euro 4,785,000 Class B11 Asset Backed Floating Rate Notes due October 2050 (the "**Class B11 Notes**"), Euro 2,211,000 Class B12 Asset Backed Floating Rate Notes due October 2050 (the "**Class B12 Notes**"), Euro 5,376,000 Class B13 Asset Backed Floating Rate Notes due October 2050 (the "**Class B13 Notes**"), Euro 5,251,000 Class B14 Asset Backed Floating Rate Notes due October 2050 (the "**Class B14 Notes**"), Euro 16,504,000 Class B15 Asset Backed Floating Rate Notes due October 2050 (the "**Class B15 Notes**"), Euro 2,975,000 Class B16 Asset Backed Floating Rate Notes due October 2050 (the "**Class B16 Notes**"), Euro 2,483,000 Class B17 Asset Backed Floating Rate Notes due October 2050 (the "**Class B17 Notes**") and Euro 2,908,000 Class B18 Asset Backed Floating Rate Notes due October 2050 (the "**Class B18 Notes**"), Euro 1,586,000 Class B19 Asset Backed Floating Rate Notes due October 2050 (the "**Class B19 Notes**"), Euro 5,251,000 Class B20 Asset Backed Floating Rate Notes due October 2050 (the "**Class B20 Notes**"), Euro 10,214,000 Class B21 Asset Backed Floating Rate Notes due October 2050 (the "**Class B21 Notes**"), Euro 3,772,000 Class B22 Asset Backed Floating Rate Notes due October 2050 (the "**Class B22 Notes**"), Euro 7,261,000 Class B23 Asset Backed Floating Rate Notes due October 2050 (the "**Class B23 Notes**"), Euro 2,590,000 Class B24 Asset Backed Floating Rate Notes due October 2050 (the "**Class B24 Notes**"), Euro 24,977,000 Class B25 Asset Backed Floating Rate Notes due October 2050 (the "**Class B25 Notes**"), Euro 7,896,000 Class B26 Asset Backed Floating Rate Notes due October 2050 (the "**Class B26 Notes**"), Euro 11,845,000 Class B27 Asset Backed Floating Rate Notes due October 2050 (the "**Class B27 Notes**"), Euro 5,575,000 Class B28 Asset Backed Floating Rate Notes due October 2050 (the "**Class B28 Notes**"), Euro 15,441,000 Class B29 Asset Backed Floating Rate Notes due October 2050 (the "**Class B29 Notes**"), Euro 13,086,000 Class B30 Asset Backed Floating Rate Notes due October 2050 (the "**Class B30 Notes**"), and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes, the Class B16 Notes, the Class B17 Notes, the Class B18 Notes, the Class B19 Notes, the Class B20 Notes, the Class B21 Notes, the Class B22 Notes, the Class B23 Notes, the Class B24 Notes, the Class B25 Notes, the Class B26 Notes, the Class B27 Notes, the Class B28 Notes, and the Class B29 Notes the "**Class B Notes**"; the Class A Notes and the Class B Notes, together the "**Notes**". The Class B Notes are not being offered pursuant to this Prospectus.

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

The Offering Circular has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Senior 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 the 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.

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 Holder (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 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 regulation of 22 February 2008 jointly issued by the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy, as subsequently amended and supplemented.

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 Lives of the Class A Notes**", including, but not limited to, the level of the prepayment of the Claims. However, there is no certainty neither that the assumptions made will materialize nor 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 in October 2050 (the "**Final Maturity Date**"). The Notes of each Class will be redeemed in the manner specified in Condition 6 (Redemption, Purchase and Cancellation). Before the Final Maturity Date the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.4 (Optional Redemption).

Interest on the Notes will accrue from 30 April 2012 (the "**Issue Date**") and will be payable on 18 October 2012 (the "**First Payment Date**") and thereafter quarterly in arrears on the 18<sup>th</sup> day of January, April, July and October in each year or if any such day is not a day on which banks are open for business in Dublin, London, Rome and Milan and on which the Trans-European Automated Real Time Gross Transfer System (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 Class A Notes shall bear interest at an annual rate equal to the lower of (i) the Euro-Zone Inter-bank offered rate for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-bank offered rate ("**Euribor**") for 5 month and 6 month deposits in Euro) plus a margin of 0.30% per annum in relation to the Class A Notes and (ii) 8.50% per annum.

The Class A Notes are expected, on issue, to be rated Aa2(sf) by Moody's Italia S.r.l. and AA(sf) by DBRS Ratings Limited ("**DBRS**" and together with Moody's Italia S.r.l. the "**Rating Agencies**"). As of the date of this Prospectus, each of Moody's Italia S.r.l. and DBRS is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. 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".

#### ARRANGER

Iccrea Banca S.p.A.

Dated 27 April 2012

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

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 residential mortgage loans executed by Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone, Banca di Forlì - Credito Cooperativo – S.C., Banca della Marca - Credito Cooperativo - Soc. Coop., Credito Trevigiano - Banca di Credito Cooperativo - Società Cooperativa, CentroMarca Banca - Credito Cooperativo - Società Cooperativa, Banca di Anghiari e Stia - Credito cooperativo - Società cooperativa, Banca del Valdarno - Credito Cooperativo – Soc. Cooperativa, Banca di Credito Cooperativo Vicentino - Pojana Maggiore (Vicenza) - Società Cooperativa, Cassa Rurale ed Artigiana di Brendola - Credito Cooperativo, BCC di Alba, Langhe e Roero S.C., Banca di Pistoia - Credito Cooperativo - Società Cooperativa, Banca di Credito Cooperativo di Campiglia dei Berici Soc. Coop., Credito Cooperativo Interprovinciale Veneto - Società Cooperativa, CrediUmbria Banca di Credito Cooperativo - Società Cooperativa, Banca di Credito Cooperativo di Pompiano e della Franciacorta - Pompiano (BS) Società Cooperativa, Banca Adige Po - Credito Cooperativo Lusia, Banca di Ancona - Credito Cooperativo - Società Cooperativa, Banca di Bedizzole Turano Valvestino Credito Cooperativo Scrl, Banca di Credito Cooperativo di Ostra e Morro d'Alba Società Cooperativa, Credito Cooperativo Dell'Adda e del Cremasco - Cassa Rurale Società Cooperativa, Banca San Biagio del Veneto Orientale di Cesaroło, Fossalta di Portogruaro e Pertegada – Banca di Credito Cooperativo – Società Cooperativa, Banca di Credito Cooperativo di Gatteo - Società Cooperativa, Romagna Est Banca di Credito Cooperativo Società Cooperativa, Cassa Rurale ed Artigiana "S. Giuseppe" c.c. Soc. a Resp. Limitata - Camerano (AN), Banca di Monastier e del Sile Credito Cooperativo Società Cooperativa, RovigoBanca Credito Cooperativo - Società Cooperativa, Banca San Giorgio Quinto Valle Agno Credito Cooperativo - Società Cooperativa, Credito Valdinievole - Banca di Credito Cooperativo di Montecatini Terme e Bientina S.C., Banca di Credito Cooperativo di Carate Brianza and Banca Malatestiana – Credito Cooperativo Società Cooperativa collectively the "**Originators**"). The Portfolios have been purchased by the Issuer under the terms of 30 (thirty) transfer agreements as between the Issuer and each Originator pursuant to Law 130 on 23 April 2012 (each a "**Transfer Agreement**" and collectively the "**Transfer Agreements**"). The principal source of payment of interest and repayment of principal on the Notes will be collections and recoveries made from or in respect of the Portfolios.

### **Responsibility Statements**

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

### **The Issuer**

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

## The Originators

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

## Deutsche Bank AG London Branch

Deutsche Bank AG London Branch has provided the information included in this Prospectus in the relevant parts of the sections headed "The Cash Manager and the Computation Agent" and, together with the Issuer, accepts responsibility for the information contained in that section. To the best of the knowledge of Deutsche Bank AG London 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, Deutsche Bank AG London Branch 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), the Arranger, 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 (the "**Issuer's Rights**") will be segregated from and all other assets of the Issuer.

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

Both before and after a winding-up of the Issuer, the Issuer's Rights 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 Agent Bank, the Operating Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Stichting Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Listing Agent, the Limited Recourse Loan Providers and the Back-Up Servicer Facilitator. The Noteholders will agree that the Single Portfolio Available

*Funds and the Issuer Available Funds (as defined 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 "Order of Priority").*

*The Issuer's Rights 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 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 them 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 prospectus or any offering circular, 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 a "sollecitazione all'investimento") 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 Securities Act or any other state securities laws. The Notes may not be offered, sold or delivered directly or indirectly within the United States or to, or for the account 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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## **RISK FACTORS**

*The following is a description of certain aspects of the issue of the Senior 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 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.

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 residential mortgage-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for residential mortgage-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 residential mortgage-backed securities and resulted in the secondary market for residential mortgage-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 residential mortgage-backed securities into the secondary market. The price of credit protection on residential mortgage-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 residential mortgage-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 and the Arranger nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolios sold by the Originators to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Borrower.

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

The Issuer will rely 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 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 is obligated pursuant to the Bank of Italy regulations to open and to keep separate accounts in relation to each securitisation transaction; and (ii) the servicers shall be able to individuate at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; (iii) the parties to the Transaction have undertaken not to credit to the Transaction Accounts amounts other than those set out in 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. In any case, the corporate object of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transactions that are not contemplated in the Transaction Documents. To the extent that the Issuer has other creditors, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Transaction.

## **1.5 Limited enforcement rights**

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders. The Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of the Noteholders the power to resolve on the ability of any Noteholder to commence any such individual actions.

## **1.6 Rights of set-off of borrowers**

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

The Italian consumer legislation set forth in the Consolidated Banking Act (i) provides for a more borrower friendly set-off ruling and (ii) attributes to the borrower the right to terminate the loan and receive back any amount paid to the lender (and to any assignee) in case of breach by the supplier of the goods purchased by the borrower out of the loan. In any case, the Originators have represented under the Warranty and Indemnity Agreement there are not any Mortgage 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, each of the 30 Portfolios will be serviced by each of the relevant Originators. 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). The Servicing Agreement prevents the Servicer from renegotiating, in the name and behalf of the Issuer, the Claims with the relevant Debtors, other than when certain conditions specified in the Servicing Agreement are met.

The parties to the Transaction Documents perform multiple roles within the Transaction, including (i) the Originators which are also Servicers, Limited Recourse Loan Providers and (ii) ICCREA Banca which is also Back-up Servicer and Operating Bank. 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 2.8.

## **1.8 Further securitisations**

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

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

## **1.9 Tax treatment of the Issuer**

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 14 February 2006 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell' "Elenco Speciale", degli Imel, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolios will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, *i.e.* on-

balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolios. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

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

In particular as confirmed by the Italian Tax Authority (*Agenzia delle Entrate*) Resolution No. 139/E of 17 November 2004, issued in relation to the EU Court of Justice sentence of June 26, 2003 on case C-305/01, the transfer of the Portfolios to the Issuer qualifies as a financial service rendered by the Issuer to the Originators, to be subject to VAT at the zero per cent. rate (*operazione esente IVA*) because it does not represent a mere credit recovery activity which would be subject to VAT at a 20 percent rate. The characterisation of the transfer of Portfolios as a financial service is supported by the evidence that the transfer takes place in the context of a financial transaction where (a) the Originators transfer the Portfolios to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the Portfolios) to be advanced to the Originators as transfer price of the Portfolios; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the Portfolios to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Transaction. It is however possible that future rulings, guidelines, regulations or letters of the Italian Tax Authority (*Agenzia delle Entrate*) or other competent authorities might propose a different interpretation. The Portfolio is not transferred for a consideration due by the Originators to the Issuer, nor at a discount below the face value of the receivables. As a consequence of this and according to Circular No. 32/E of 11 March 2011, the Italian Tax Authority (*Agenzia delle Entrate*) would argue that the transaction does not qualify for VAT purposes as *operazione esente* (VAT exempt) and qualify instead as *operazione fuori campo* (out of the scope of VAT). Should for any reason the Transfer Agreements be subject, either voluntarily or in case of use or enunciation, to registration, 0.5% registration tax will be payable by the relevant parties thereto on the nominal value of the transferred receivables.

Pursuant to Legislative Decree No. 141/2010 which modified article 3, paragraph 3, of Law 130, the Issuer is not any longer requested to be registered as financial intermediary under article 106 of the Banking Act while it is enrolled in the register for securitization vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011. *Agenzia delle Entrate* has not changed its tax guidelines and we are of the opinion 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 will be obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by each of the Originators (in any capacity), the Agent Bank, the Cash Manager, the Representative of the Noteholders, the Transaction Bank, the English Transaction Bank, the Operating Bank, the Servicers, the

Limited Recourse Loan Providers, the Corporate Services Provider, the Stichting Corporate Services Provider, the Computation Agent, the Paying Agents, the Irish Listing Agent, the Arranger. 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.

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 Quotaholder's Agreement, the Noteholders will not have any recourse to the assets securing such notes.

## **2.2 Subordination**

With respect to the obligation of the Issuer to pay interest on the Notes, the Conditions provide that the Class A Notes will rank *pari passu* and without any preference or priority among themselves; each Series of Class B Notes will rank *pari passu* and without any preference or priority among themselves but will be subordinated to the Class A Notes.

With respect to the obligation of the Issuer to 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; each Series of Class B Notes 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 of the Relevant Portfolio provided that, following occurrence of a Cross Collateral Event and in case of acceleration of the reimbursement of the Notes, principal on each 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.

No repayments of principal will be made on the Class B Notes until all principal due on the Class A Notes has been paid or is paid concurrently with such repayment as set forth in the Conditions.

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.

## **2.3 The "Anti-Deprivation" principle**

The validity of contractual priorities of payments such as those contemplated in this transaction (the Orders of Priority) has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd* 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that

the anti-deprivation principle was not breached by such provisions. This was further supported in *Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc 2011 UKSC 38*, in which the Supreme Court upheld the priority provisions at issue in determining that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments were an essential part of the transaction understood by the parties and did not contravene the anti-deprivation principle.

The U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the decision of the US Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of England and Wales in the Belmont case as referred to above and therefore uncertainty remains as to how a conflict of the type referred to above would be resolved by the courts. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

## **2.4 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.

## **2.5 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 Noteholders are 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.

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

The credit ratings assigned to the Class A Notes reflects the Rating Agencies' assessment only in relation to 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 Portfolio and the availability of credit enhancement.

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

- the possibility of the imposition of Italian or European withholding tax; or
- the marketability of the Class A Notes, or any market price for the Class A Notes; or
- 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 Notes is only suitable for investors who:

- (i) 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;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (iii) are capable of bearing the economical risk of an investment in the Class A Notes; and
- (iv) 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 Notes should make their own independent decision whether to invest in the Notes and whether an investment in the 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, Arranger 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 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.

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.

It is the intention of the Originators to initially use the Class A Notes as collateral in repurchase transactions and/or as collateral in connection with liquidity and/or open market operations with the European Central Bank or other qualified investors.

## **2.8 The Representative of the Noteholders**

The Conditions and the Intercreditor Agreement contain provisions regarding the fact that the Representative of the Noteholders shall have regard to the interests of the Noteholders and the Other Issuer Creditors in the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under the Conditions and the Intercreditor Agreement, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only of whichever Noteholder ranks higher in the applicable Order of Priority and, following the full redemption and cancellation of the Notes, of the Other Issuer Creditor that ranks higher in the applicable Order of Priority for the payment of any amount or in the exercise and performance of all its powers, authorities, duties and discretions, if, in its good faith opinion, there is or may be a conflict between all or any of the interests of the Noteholders and the Other Issuer Creditors.

## **2.9 Class A Notes as Eligible Collateral for ECB liquidity and/or open market transaction**

After the Issue Date an application may be made to a central bank in the Eurozone to record the Class A Notes as eligible collateral, within the meaning of the guidelines issued by the European Central Bank (ECB) on September 2011 (*The implementation of monetary policy in the Euro area*), 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 and the Arranger 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.

## **2.10 Substitute tax under the Notes**



Payments under the Notes may in certain circumstances, described in the section headed "Taxation" 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%, or such lower rate as may be applicable under the relevant double taxation treaty.

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

## **2.11 EU Directive on the taxation of savings income**

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States are required starting from July 1, 2005, to provide to the tax authorities of another Member State the details of payments of interest (or similar income) paid by a person within its jurisdiction, qualifying as paying agent under the Directive, to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria are 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.

## **2.12 Change of law**

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings 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 residential mortgage loans governed by Italian law. The Portfolios have characteristics that show the capacity to produce funds to service payments due on the Notes. However, there can be no guarantee that the Borrowers will not default under such Mortgage 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. Delege al Governo per la modifica del codice di procedura civile in materia di processo di cassazione e di arbitrato nonché per la riforma organica della disciplina delle procedure concorsuali*") extends such activity to lawyers, certified accountants and fiscal experts enrolled in a special register. The reforms are expected to reduce the length of foreclosure proceedings by between two (2) and three (3) years, although at the date of this Prospectus, the impact which the mentioned laws will have on the Mortgage Loans comprised in the Portfolios cannot be fully assessed. See "*Selected Aspects of Italian Law*".

### 3.2 Risk of losses associated with Borrowers

General economic conditions and other factors have an impact on the ability of Borrowers to repay Mortgage 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 Mortgage Loans payments by such Borrowers and could reduce the Issuer's ability to service payments on the Notes.

The Mortgage Loans have been entered into with Borrowers which are individuals. 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 (*procedura 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 Mortgage Loan Agreement may be declared ineffective pursuant to article 65 of the Bankruptcy Law ("**Article 65**") which provides that a payment of a debt not yet due and payable, which falls due and payable on or after the date of declaration of bankruptcy of a debtor is ineffective towards the creditors of the bankruptcy estate if such payment is made by the debtor in the two -years preceding the declaration of bankruptcy (including, accordingly, any prepayments made under a mortgage loan agreement).

While the Securitisation Law provides that claw-back provisions set forth in Article 67 of the Bankruptcy Law do not apply to payments made by the assigned debtors to the Issuer in respect of the securitised Claims, it does not contain any exemption provisions in respect of Article 65. However according to the judgment by the Court of Verbania dated 13 August 1999 (published in "*Il Fallimento*", 2000, II, pages 1047 et seq.), the approach of the Italian Supreme Court is that claw back actions under the Bankruptcy Law should not be prejudicial to the rights of secured creditors. Therefore, the payments made further to an obligation not yet due, arising out from mortgage loans made by the debtor declared bankrupt in the two years prior to the date of the bankruptcy declaration are not subject to the claw back action provided for by article 65 of the Bankruptcy Law, because the ultimate consequence of the declaration of ineffectiveness of payments under article 65 of the Bankruptcy Law is that the secured creditor could not be admitted to the bankruptcy estate as a secured creditor given that the mortgage would have been cancelled by effect of the pre-payment and according to Italian law it could not be reinstated *vis-à-vis* the receiver. The mentioned judgment by the Court of Verbania is not an isolated judgment, 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) has stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the borrower by specific provisions of law.

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 Mortgage Loans or that such proceedings would be concluded before the stated maturity of the Notes. For further details see section headed "*Selected Aspects of Italian Law*".

### **3.3 Real estate investments**

All the Mortgage Loans are secured by real estate assets and subject to the risks inherent in investments in or secured by real property. 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 Mortgage Loans, and consequently, the amount available to make payments on the Notes.

### **3.4 Italian Usury Law**

Italian Law No. 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the "**Usury Thresholds**") (the latest of such decrees having been issued on 29 March 2012).

In addition, even though the applicable Usury Thresholds are not exceeded, interests and other advantages and/or remunerations might be held usurious if: (i) they are disproportionate to the sum lent (taking into account, in evaluating such condition, the specific terms and conditions of the transaction and the average rate usually applied to similar transactions); and (ii) the person who paid or accepted to pay the relevant amounts was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

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

The Italian Constitutional Court (*Corte Costituzionale*) has rejected, with decision no. 29/2002 (deposited on 25th February 2002), a constitutional exception raised by the Court of Benevento concerning article 1, paragraph 1, of the Usury Law. In so doing, the Constitutional Court has confirmed the constitutional validity of the provisions of the Usury Law which holds that the interest rates may be deemed to be void due to usury only if they infringe the Usury Law at the time they are agreed 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 Mortgage Loan are, and the exercise by the Originator of its rights thereunder is, in each case, in compliance with all applicable laws and regulations including, without limitation, all laws and regulations relating to banking activity, *credito fondiario*, usury and personal data protection provisions in force at the time, as well as in compliance with the internal procedures from time to time adopted by the Originator. See "*Description of the Warranty and Indemnity Agreement*".

### **3.5 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 provided that such capitalisation has been agreed upon after the date when they become due or from the date in which the relevant legal proceeding has been commenced in respect of the monetary claim, save in case of contrary recognised customary practices (*usi normativi*). Banks in Italy have traditionally capitalized accrued interests on a quarterly basis on the ground that such practice could be characterized as a customary practice. 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 of 4 August 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 9/17 October 2000 issued by the Italian Constitutional Court.

On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

With respect to this matter, it has to be pointed out that with a recent ruling, on 29 October 2008 the Court of Bari (honorary judge of the detached office of Rutigliano) declared partially null 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.

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 the relevant mortgage loans partially null 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*".

### **3.6 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.

### 3.7 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 be 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.

### 3.8 Mutui Fondiari

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

### 3.9 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 the Originators for mortgage loans and that the Issuer may not be able to recover the prepayment fees in the amount originally agreed with the Borrowers.

### **3.10 Article 120-quater of the Consolidated Banking Act**

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

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

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

### **3.11 Suspension of mortgage instalments**

Italian Law No. 244 of 24 December 2007, the Italian budget law for year 2008 (the "**2008 Budget Law**"), provides, *inter alia*, that borrowers of loans granted for the purchase of real estate property to be used as the borrower's main residence (*abitazione principale*) may request that payment of instalments thereunder be suspended at the terms specified therein.

The 2008 Budget Law also provided for the establishment of a fund (*Fondo di solidarietà per i mutui per l'acquisto della prima casa*) (the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments by the borrowers and refers to an implementing regulation to be issued by the Ministry of the Economy and Finance (*Ministro dell'economia e delle finanze*) in conjunction with the Ministry of the Social Solidarity (*Ministro della solidarietà sociale*).

Pursuant to Ministerial Decree number 132 issued by the Ministry of Economy and Finance on 21 June 2010 and published in the Official Gazette of the Republic of Italy on 18th of August 2010 ("**Decree 132**"), the provisions relating to the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and the subsequent aid from the Fund and the formalities and operating procedures of the Fund, were enacted.

Following and in compliance with Decree 132, the Ministry of Economy and Finance, on 27 October 2010, issued the guidelines (*Linee Guida*) (the "**Guidelines**") – published on the website ([www.dt.tesoro.it](http://www.dt.tesoro.it)) (for the avoidance of doubt, such website does not constitute part of this Prospectus) which establish the procedures that borrowers must follow in order to request the suspension of payments of instalment.

As specified in the Guidelines, within the provision of Decree 132, the suspension of payments of the instalments can be granted also in favour of mortgage loans which have been object of securitisation transactions.

In light of the above, pursuant to the Decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010, CONSAP (*Concessionaria Servizi Assicurativi S.p.A*), was selected as managing company of the Fund. The request to access to the aid granted by the Fund must be presented by the Borrowers starting from 15 November 2010, by using the relevant form of suspension-request duly prepared in compliance with the Guidelines and accompanied by the relevant documentation indicated therein.

Any Borrower who complies with the requirements set out in Decree 132 and the Guidelines, has the right to suspend the payment of the instalments of its Mortgage Loan up to 18 months and therefore there is the risk that the Issuer will experience a consequential delay in the collection of the relevant instalments. A significant number of applications by borrowers of Mortgage Loans concentrated over a specific period will have an adverse impact on the Issuer's cash flow of that period, although the number of applications for suspension and their overall duration is limited under the 2008 Budget Law.

### **3.12 The Families Plan**

On 18 December 2009, the Italian Banking Association ("**ABI**") and the consumers associations signed a convention concerning the temporary suspension of payments of loan instalments due by individuals to the banking system in order to help those families stricken by the financial crisis ("**Families Plan**").

The Families Plan provides the possibility for the individuals with a taxable income of maximum € 40,000 per year and with an amount of the relevant mortgage loan not higher than € 150,000, to request, upon certain conditions, the suspension of the payment of the mortgage loan instalments for the principal component (or also for the interest component), for 12 (twelve) months (the "**Suspension**"). As a consequence of the Suspension, the reimbursement plan will be extended for a period equal to the Suspension.

Pursuant to the above convention, the Suspension can be requested between 1 February 2010



and 31 July 2011 by all families to which, between the period of 1 January 2009 and 30 June 2011, one of the following events has happened: a) closing down of a subordinated working relationship, except for the consensual termination of the working relationship (*risoluzione consensuale*) or cases in which the termination is due for having reached the age limit, with the consequent right to receive an old-age pension (*pensione di anzianità*), or in cases of termination for *giusta causa* or *giustificato motivo soggettivo*; b) closing down of the working relationship pursuant to article 409, paragraph 3, of the Italian civil procedure code except for the consensual termination, withdrawal of the employer or withdrawal of the employee not for *giusta causa*; c) death or cases of loss of self-sufficiency; d) suspension or reduction of the working relationship for a period of at least 30 days.

The terms of the above convention have been subsequently extended for two times pursuant to two subsequent agreements signed by ABI and the relevant consumers associations in order to further protect families in financial distress. In particular as result of such extensions, borrowers can request the Suspension, upon the occurrence of the aforementioned events, within 31 July 2012 and the events on the basis of which the Suspension can be requested, though, must occur not later than 30 June 2012.

The Families Plan may be joined by (i) banks, or (ii) securitisation vehicles or (iii) banks in their name and in the name and on behalf of securitisation vehicles.

In adhering to the Families Plan, banks shall indicate (i) if borrowers may ask for the Suspension only of the principal component of the instalments or also of the interest component; and (ii) if they intend to grant more favourable conditions for the Suspension to their borrowers (including a period of suspension longer than 12 months).

It should be noted that the Originators have adhered to the Families Plan granting to borrowers the possibility for the Suspension of the instalments.

### 3.13 The Development Decree

On 13 May 2011, the Italian government approved the law-decree No. 70, published on the Italian Official Gazette on 13 May 2011, which introduces new provisions concerning the renegotiation of mortgage loans ("**Development Decree**").

In particular, the Development Decree provides that borrowers who, before the entry in force of such new provisions have executed or assumed a mortgage loan agreement, will have the right to renegotiate the terms of their mortgage loan with their respective lender, provided that: (a) the relevant mortgage loan agreement has been entered into for purchasing or rebuilding a residential property; (b) the original amount of the relevant mortgage loan is not higher than Euro 150,000; (c) the relevant mortgage loan accrues interest at a floating rate and provides for payment of variable instalments for the whole duration; (d) the relevant borrower submits, together with the request of the renegotiation, the certificate of the relevant ISEE (*Indicatore della Situazione Economica Equivalente*), which should not exceed the amount of Euro 30,000; (e) no late payments have been made with respect to the relevant mortgage loan, as otherwise agreed between the parties.

The Development Decree has been converted in Law No. 106 of 12 July 2011 with amendments. As a consequence of that, the cap amounts indicated under items (b) and (d) above have been modified respectively to Euro 200,000 and Euro 35,000.

Such renegotiation involves the change from a floating rate to a fixed nominal annual interest rate which must not be higher than the interest rate obtained by applying (i) the lower between the 10-year Euro IRS and the IRS in Euro applicable to a duration equal to the residual life of the mortgage loan or, if not available, the quotation of the IRS related to the immediately

preceding duration, as it appears on Reuters ISDAFIX 2 page at the renegotiation date, plus (ii) a spread equal to the one indicated in the relevant loan agreement, for the purpose of determining the applicable interest rate.

Borrowers will be entitled to agree with their respective lenders that the renegotiation will extend the amortisation plan of the mortgage loans for a maximum period of five years, provided that the residual life of the relevant mortgage loan, following the date of such renegotiation, does not exceed twenty-five years.

With reference to securitised mortgage loans, the Development Decree provides that the provision relating to the remaining in force of the mortgage securities originally created to secure the mortgage loan which is being renegotiated, also applies to the loan granted by lenders to borrowers, as assigned debtors, in the context of a securitisation transaction, in order to permit the loan repayment in accordance with the applicable amortisation plan at the time of the renegotiation. In these cases, the lender will be subrogated in the relevant mortgage securities, without the need of any additional formality or annotation, but such subrogation will be not effective until the claims of the assignee, deriving from mortgage loans which have been transferred in the context of a securitisation transaction are fully satisfied (article 8, paragraph 6, letter d) of the Development Decree).

Moreover, under article 8, paragraph 6, item e) of the Development Decree, if the lender, in order to carry out the renegotiation, repurchases the claim previously transferred in the context of a securitisation transaction or issuance of covered bonds, the relevant assignee shall be allowed to give notice of such repurchase through the publication in the Italian Official Gazette, even by means of a single notice relating to all of the claims repurchased by the lender/assignor. Any security interest, lien or encumbrance created in favour of the lender/assignor, shall continue to be in force and effect and shall have the same ranking, without the need of any additional formality or annotation.

The request of renegotiation will be presumably satisfied by the Originators by utilising the renegotiations faculty granted to them under the Servicing Agreement or through repurchase/refinancing of the relevant loan. It is not completely clear if the Development Decree is binding for the securitisation SPVs (i.e. the securitisation SPVs would be obliged to grant the renegotiation in case the Originators are not allowed to that).

In this respect, considering that the provisions of article 8, paragraph 6, items a) and c) of the Development Decree explicitly provide that borrowers have the right to enter into renegotiations with their respective “lender” (not making any reference to different entities, such as the possible assignees) it could be argued that the Originators are the only entities obliged to grant such renegotiations.

### **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 Representative of the Noteholders (acting as security trustee) has the requisite degree of control over the Issuer's

ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Representative of the Noteholders in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors (if any) of the Issuer in respect of that part of the net property of the Issuer which is ring fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the Issuer may have priority over the rights of the Representative of the Noteholders to the proceeds of enforcement of such security. In addition, the expenses of an administration would also rank ahead of the claims of the Representative of the Noteholders as floating charge holder.

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

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

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

### **3.15 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 "*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 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as "**CRD IV**") have been presented on 20 July 2011. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

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

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

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

### **3.19 Macro-risks in the European Union**

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. 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.

**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.**

## THE PRINCIPAL PARTIES

### ISSUER

**Credico Finance 10 S.r.l.**, a limited liability company incorporated under article 3 of Law 130, 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. 35016.5, whose registered office is at Largo Chigi, 5 – 00187 Roma, Italy, fiscal code and VAT No. 06646740966, with paid-in share capital of Euro 10,000.

### THE ORIGINATORS

**Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Leopoldo Lucchi, 135, 47521 Cesena (FC), Italy, fiscal code and VAT No. 03762240400, ABI code No. 07073, enrolled with the register of banks held by Bank of Italy under No. 5695, with paid-in share capital of Euro 12,532,975.00 ("**Banca Romagna Cooperativa**");

**Banca di Forlì - Credito Cooperativo – S.C.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at C.so della Repubblica 2/4, 47121 Forlì, Italy, fiscal code and VAT No. 00124950403, ABI code No. 08556, enrolled with the register of banks held by Bank of Italy under No. 4716.7.0, with paid-in share capital of Euro 253,217.00 ("**BCC di Forlì**");

**Banca della Marca - Credito Cooperativo - Soc. Coop.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Giuseppe Garibaldi 46, 31010 Orsago (TV), Italy, fiscal code and VAT No. 03669140265, ABI code No. 07084, enrolled with the register of banks held by Bank of Italy under No. 5502, with paid-in share capital of Euro 8,280,780.00 ("**Banca della Marca**");

**Credito Trevigiano - Banca di Credito Cooperativo - Società Cooperativa**, a bank incorporated as a *società cooperativa*, whose registered office is at Via Stazione 3/5, 31050 Fanzolo di Vedelago (Treviso), Italy, fiscal code and VAT No. 00274980267, ABI code No. 8917.7, enrolled with the register of banks held by Bank of Italy under No. 941, with paid-in share capital of Euro 1,398,824.32 ("**BCC Trevigiano**");

**CentroMarca Banca - Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via Dante Alighieri 2, 31022 Preganziol (TV), Italy, fiscal code and VAT No. 00176640266, ABI code No. 08749, enrolled with the register of banks held by Bank of Italy under No. 4580.70, with paid-in share capital of Euro 59,067.00 ("**BCC CentroMarca**");

**Banca di Anghiari e Stia - Credito cooperativo - Società cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via Mazzini 17, 52031 Anghiari

(AR), Italy, fiscal code and VAT No. 01622460515, ABI code No. 08345, enrolled with the register of banks held by Bank of Italy under No. 5407, with paid-in share capital of Euro 12,468,619.40 ("**BCC di Anghiari**");

**Banca del Valdarno - Credito Cooperativo – Soc. Cooperativa**, a bank incorporated as a *società cooperativa*, whose registered office is at Piazza della Libertà 26, 52027 San Giovanni Valdarno (AR), Italy, fiscal code and VAT No. 00135410512, ABI code No. 08811, enrolled with the register of banks held by Bank of Italy under No. 3560.00, with paid-in share capital of Euro 6,512,656.06 ("**BCC del Valdarno**");

**Banca di Credito Cooperativo Vicentino - Pojana Maggiore (Vicenza) - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via Matteotti 47, 36026 Pojana Maggiore (VI), Italy, fiscal code and VAT No. 00152400248, ABI code No. 08732.0, enrolled with the register of banks held by Bank of Italy under No. 2391.10, with paid-in share capital of Euro 44,226,386.15 ("**BCC Vicentino**");

**Cassa Rurale ed Artigiana di Brendola - Credito Cooperativo**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza Del Mercato 15, 36040 Brendola (VI), Italy, fiscal code and VAT No. 00275710242, ABI code No. 08399, enrolled with the register of banks held by Bank of Italy under No. 2489.30, with paid-in share capital of Euro 610,453.80 ("**CRA di Brendola**");

**BCC di Alba, Langhe e Roero S.C.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Cavour 4, 12051 Alba (CN), Italy, fiscal code and VAT No. 00236570040, ABI code No. 08530.8, enrolled with the register of banks held by Bank of Italy under No. 205.50, with paid-in share capital of Euro 46,158,599.40 ("**BCC di Alba**");

**Banca di Pistoia - Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Corso Silvano Fedi 25, 51100 Pistoia, Italy, fiscal code and VAT No. 00513860478, ABI code No. 8486, enrolled with the register of banks held by Bank of Italy under No. 5247, with paid-in share capital of Euro 2,017,859.28 ("**Banca di Pistoia**");

**Banca di Credito Cooperativo di Campiglia dei Berici Soc. Coop.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Nazionale 2, 36020 Campiglia dei Berici (VI), Italy, fiscal code and VAT No. 00270860240, ABI code No. 08428, enrolled with the register of banks held by Bank of Italy under No. 2718.50, with paid-in share capital of Euro 819,186.12 ("**BCC di Campiglia dei Berici**");

**Credito Cooperativo Interprovinciale Veneto - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via G. Matteotti 11,

Montagnana (PD), Italy, fiscal code and VAT No. 03454900287, ABI code No. 7057, enrolled with the register of banks held by Bank of Italy under No. 5411, with paid-in share capital of Euro 19,778,056.96 ("**BCC Crediveneto**");

**CrediUmbria Banca di Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Stradone 49, 06062 Frazione Moiano, Città della Pieve (PG), Italy, fiscal code and VAT No. 02494190545, ABI code No. 07075, enrolled with the register of banks held by Bank of Italy under No. 5460, with paid-in share capital of Euro 3,600,315.00 ("**CrediUmbria BCC**");

**Banca di Credito Cooperativo di Pompiano e della Franciacorta - Pompiano (BS) Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Piazza S. Andrea 12, 25030 Pompiano (BS), Italy, fiscal code No. 00436650170 and VAT No. 00561800988, ABI code No. 08735, enrolled with the register of banks held by Bank of Italy under No. 2438.00, with paid-in share capital of Euro 2,698,086.72 ("**BCC Pompiano e Franciacorta**");

**Banca Adige Po - Credito Cooperativo Lusia**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Viale Europa 95, 45020 Lusia (RO), Italy, fiscal code and VAT No. 00069520294, ABI code No. 8616-5, enrolled with the register of banks held by Bank of Italy under No. 2343-20, with paid-in share capital of Euro 913,585.07 ("**Banca Adige Po**");

**Banca di Ancona - Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Maggini 63/a, 60127 Ancona, Italy, fiscal code and VAT No. 00184380426, ABI code No. 08916, enrolled with the register of banks held by Bank of Italy under No. 186.70, with paid-in share capital of Euro 2,448,702.89 ("**BCC di Ancona**");

**Banca di Bedizzole Turano Valvestino Credito Cooperativo Srl**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Garibaldi 6/a, Bedizzole (BS), Italy, fiscal code No. 00518830179 and VAT No. 00568990980, ABI code No. 08379, enrolled with the register of banks held by Bank of Italy under No. 3867.9.1, with paid-in share capital of Euro 1,672,860.00 ("**BCC di Bedizzole T.V.**");

**Banca di Credito Cooperativo di Ostra e Morro d'Alba Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via Mazzini 93, 60010 Ostra (AN), Italy, fiscal code and VAT No. 01440090429, ABI code No. 08704, enrolled with the register of banks held by Bank of Italy under No. 8704.9, with paid-in share capital of Euro 3,080,222.72 ("**BCC di Ostra e Morro d'Alba**");

**Credito Cooperativo Dell'Adda e del Cremasco - Cassa Rurale Società Cooperativa**, a bank incorporated in Italy as a *società*



*cooperativa*, whose registered office is at Piazza Vittorio Emanuele II 6, Rivolta d'Adda (Cr), Italy, fiscal code and VAT No. 01471740199, ABI code No. 08771, enrolled with the register of banks held by Bank of Italy under No. 5716, with paid-in share capital of Euro 109,475.00 ("**BCC Adda e Cremasco**");

**Banca San Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada – Banca di Credito Cooperativo – Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Viale Venezia 1, 30025 Fossalta di Portogruaro (VE), Italy, fiscal code and VAT No. 02794950275, ABI code No. 08965, enrolled with the register of banks held by Bank of Italy under No. 5249, with paid-in share capital of Euro 10,417,365.00 ("**Banca San Biagio del Veneto Orientale**");

**Banca di Credito Cooperativo di Gatteo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via della Cooperazione 10, 47043 Gatteo (FC), Italy, fiscal code and VAT No. 00252670401, ABI code No. 08574, enrolled with the register of banks held by Bank of Italy under No. 4400.8.0, with paid-in share capital of Euro 4,577,296.68 ("**BCC di Gatteo**");

**Romagna Est Banca di Credito Cooperativo Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Corso Perticari 25/27, 47039 Savignano sul Rubicone (FC), Italy, fiscal code and VAT No. 02411800408, ABI code No. 08852.6, enrolled with the register of banks held by Bank of Italy under No. 5285.20, with paid-in share capital of Euro 2,421,038.12 ("**Romagna Est BCC**");

**Cassa Rurale ed Artigiana "S. Giuseppe" c.c. Soc. a Resp. Limitata - Camerano (AN)**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Monsignor Donzelli 34/36, 60021 Camerano (AN), Italy, fiscal code and VAT No. 00130380421, ABI code No. 08973, enrolled with the register of banks held by Bank of Italy under No. 4305.9.0, with paid-in share capital of Euro 1,840.00 ("**BCC Camerano**");

**Banca di Monastier e del Sile Credito Cooperativo Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Roma 21 A, Monastier di Treviso (TV), Italy, fiscal code and VAT No. 03588770267, ABI code No. 07074, enrolled with the register of banks held by Bank of Italy under No. 5458, with paid-in share capital of Euro 1,231,083.00 ("**BCC di Monastier**");

**RovigoBanca Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Casalini 10, 45100 Rovigo, Italy, fiscal code and VAT No. 01088920291, ABI code No. 08986, enrolled with the register of banks held by Bank of Italy under No. 5359.5, with paid-in share capital of Euro 1,789,543.00 ("**RovigoBanca**");

**Banca San Giorgio Quinto Valle Agno Credito Cooperativo - Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at via Perlina 78, 36030 San Giorgio di Perlina - Fara Vicentino (VI), Italy, fiscal code and VAT No. 00232120246, ABI code No. 08807, enrolled with the register of banks held by Bank of Italy under No. 4302.6.0, with paid-in share capital of Euro 12,732,785.00 ("**Banca San Giorgio Quinto Valle Agno**");

**Credito Valdinievole - Banca di Credito Cooperativo di Montecatini Terme e Bientina S.C.**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Ugo Foscolo 16/2, 51016 Montecatini Terme (PT), Italy, fiscal code and VAT No. 00088180476, ABI code No. 8003, enrolled with the register of banks held by Bank of Italy under No. 4548.40, with paid-in share capital of Euro 4,679,048.74 ("**BCC Valdinievole**");

**Banca di Credito Cooperativo di Carate Brianza**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via Cusani 6, Carate Brianza (MB), fiscal code No. 01309550158 and VAT No. 00708550967, ABI code No. 8440, enrolled with the register of banks held by Bank of Italy under No. 217, with paid-in share capital of Euro 2,728,709.00 ("**BCC di Carate Brianza**");

**Banca Malatestiana - Credito Cooperativo Società Cooperativa**, a bank incorporated in Italy as a *società cooperativa*, whose registered office is at Via XX Settembre 63, Rimini (RN), Italy, fiscal code and VAT No. 03310710409, ABI code No. 7090.4, enrolled with the register of banks held by Bank of Italy under No. 5532, with paid-in share capital of Euro 8,581,163.00 ("**BCC Malatestiana**");

**AGENT BANK**

**Deutsche Bank AG, London branch**, whose registered office is at Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kingdom, or any other person from time to time acting as Agent Bank ("**Deutsche Bank, London**").

**OPERATING BANK**

**ICCREA Banca S.p.A.**, whose registered office is at Via Lucrezia Romana 41-47, Rome, Italy or any other person from time to time acting as operating bank (the "**Operating Bank**") ("**ICCREA Banca**"), at which the Transitory Collections and Recoveries Accounts, the Expenses Account and the Quota Capital Account will be held.

**TRANSACTION BANK**

**Deutsche Bank S.p.A.**, whose registered office is at Piazza del Calendario 3, 20126 Milan, Italy, acting through its office located in Via M. Gioia, 8, 20124 Milan ("**Deutsche Bank, Milan**"), or any other person from time to time acting as transaction bank (the "**Transaction Bank**"), at which the Collections and Recoveries Accounts, the Payments Account, the Reserve Account, the Single Portfolio Reserve Accounts and the Cash Reserve Accounts will be held.

**ENGLISH TRANSACTION**

**Deutsche Bank, London**, or any other person from time to time

<b>BANK</b>	acting as custodian and English transaction bank (the “ <b>English Transaction Bank</b> ”), at which the Investment Account and the Principal Amortisation Reserve Accounts will be held.
<b>PRINCIPAL PAYING AGENT</b>	<b>Deutsche Bank, London</b> , or any other person from time to time acting as principal paying agent (the “ <b>Principal Paying Agent</b> ”).
<b>ITALIAN PAYING AGENT</b>	<b>Deutsche Bank, Milan</b> , or any other person from time to time acting as Italian paying agent (the “ <b>Italian Paying Agent</b> ”). The Principal Paying Agent and the Italian Paying Agent are collectively referred to as “ <b>Paying Agents</b> ”.
<b>REPRESENTATIVE OF THE NOTEHOLDERS</b>	<b>Deutsche Trustee Company Limited</b> , whose registered office is at Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kingdom (“ <b>Deutsche Trustee</b> ”), or any other person from time to time acting as representative of the Noteholders (the “ <b>Representative of the Noteholders</b> ”).
<b>ARRANGER</b>	<b>ICCREA Banca</b>
<b>SERVICERS</b>	Banca Romagna Cooperativa, BCC di Forlì, Banca della Marca, BCC Trevigiano, BCC CentroMarca, BCC di Anghiari, BCC del Valdarno, BCC Vicentino, CRA di Brendola, BCC di Alba, Banca di Pistoia, BCC di Campiglia dei Berici, BCC Crediveneto, CrediUmbria BCC, BCC Pompiano e Franciacorta, Banca Adige Po, BCC di Ancona, BCC di Bedizzole T.V., BCC di Ostra e Morro d’Alba, BCC Adda e Cremasco, Banca San Biagio del Veneto Orientale, BCC di Gatteo, Romagna Est BCC, BCC Camerano, BCC di Monastier, RovigoBanca, Banca San Giorgio Quinto Valle Agno, BCC Valdinievole, BCC di Carate Brianza and BCC Malatestiana.
<b>LIMITED RECOURSE LOAN PROVIDERS</b>	Banca Romagna Cooperativa, BCC di Forlì, Banca della Marca, BCC Trevigiano, BCC CentroMarca, BCC di Anghiari, BCC del Valdarno, BCC Vicentino, CRA di Brendola, BCC di Alba, Banca di Pistoia, BCC di Campiglia dei Berici, BCC Crediveneto, CrediUmbria BCC, BCC Pompiano e Franciacorta, Banca Adige Po, BCC di Ancona, BCC di Bedizzole T.V., BCC di Ostra e Morro d’Alba, BCC Adda e Cremasco, Banca San Biagio del Veneto Orientale, BCC di Gatteo, Romagna Est BCC, BCC Camerano, BCC di Monastier, RovigoBanca, Banca San Giorgio Quinto Valle Agno, BCC Valdinievole, BCC di Carate Brianza and BCC Malatestiana.
<b>BACK-UP SERVICER</b>	<b>ICCREA Banca</b> .
<b>CORPORATE SERVICES PROVIDER</b>	<b>FIS Full Integrated Solutions S.p.A.</b> , whose registered office is at Via della Moscova 3, 20121, Milan, Italy, or any other person from time to time acting as corporate services provider (the “ <b>Corporate Services Provider</b> ”).
<b>STICHTING CORPORATE SERVICES PROVIDER</b>	<b>Wilmington Trust SP Services (London) Ltd</b> , a private limited liability company incorporated under the laws of England, having its registered office in Third Floor, 1 King’s Arms Yard, London EC2R 7AF, United Kingdom, or any other person from time to

time acting as stichting corporate services provider (the "**Stichting Corporate Services Provider**").

**CASH MANAGER**

**Deutsche Bank, London**, or any other person from time to time acting as cash manager (the "**Cash Manager**").

**COMPUTATION AGENT**

**Deutsche Bank, Milan**, or any other person from time to time acting as computation agent (the "**Computation Agent**").

**IRISH LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**, as Irish listing agent (and its permitted successors or assignees) with office at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, or any other person from time to time acting as Irish listing agent (the "**Irish Listing Agent**").

**SECURITY TRUSTEE**

**Deutsche Trustee Company Limited**, or any other person from time to time acting as security trustee (the "**Security Trustee**").

**QUOTAHOLDER**

**Stichting Erice**, a foundation incorporated under the laws of The Netherlands whose registered office is at 24 Claude Debussylaan, 1082MD Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the No. 34341657 ("**Stichting Erice**" or the "**Quotaholder**").

**BACK-UP SERVICER FACILITATOR**

**Zenith Service S.p.A.**, a joint stock company (*società per azioni*), incorporated and organised under the laws of the Republic of Italy, with registered office at Via Guidubaldo Del Monte 61, 00197 - Rome, enrolled with the Companies Registrar of Rome under No. 02200990980, in the general register of financial intermediaries held by the Bank of Italy pursuant to Article 106 of the Banking Act under number 32819, in the special register of financial intermediaries held by the Bank of Italy pursuant to Article 107 of the Banking Act and with a share capital of Euro 1,525,000 ("**Zenith**") or any other person from time to time acting as back-up servicer facilitator (the "**Back-Up Servicer Facilitator**").

## TRANSACTION SUMMARY INFORMATION

*The following information is a summary 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 Summary, not otherwise defined, shall have the meanings ascribed to such words and expressions elsewhere in this Prospectus or in the Terms and Conditions of the Notes.*

### PRINCIPAL FEATURES OF THE NOTES

<b>Title</b>	
	The Notes will be issued by the Issuer on the Issue Date in the following classes:
	Euro 1,333,200,000 Class A Asset Backed Floating Rate Notes due October 2050 (the " <b>Class A Notes</b> " or the " <b>Senior Notes</b> ");
	Euro 249,256,000 Class B Asset Backed Floating Rate Notes due October 2050 (the " <b>Class B Notes</b> " or the " <b>Junior Notes</b> ", and together with the Senior Notes, the " <b>Notes</b> ").
	The Class B Notes will be issued by the Issuer on the Issue Date in the following series (each a " <b>Series</b> "):
	Euro 5,769,000 Class B1 Asset Backed Floating Rate Notes due October 2050;
	Euro 6,041,000 Class B2 Asset Backed Floating Rate Notes due October 2050;
	Euro 22,516,000 Class B3 Asset Backed Floating Rate Notes due October 2050;
	Euro 17,711,000 Class B4 Asset Backed Floating Rate Notes due October 2050;
	Euro 7,450,000 Class B5 Asset Backed Floating Rate Notes due October 2050;
	Euro 4,108,000 Class B6 Asset Backed Floating Rate Notes due October 2050;
	Euro 3,313,000 Class B7 Asset Backed Floating Rate Notes due October 2050;
	Euro 4,632,000 Class B8 Asset Backed Floating Rate Notes due October 2050;
	Euro 11,152,000 Class B9 Asset Backed Floating Rate Notes due October 2050;
	Euro 14,577,000 Class B10 Asset Backed Floating Rate Notes due

October 2050;

Euro 4,785,000 Class B11 Asset Backed Floating Rate Notes due October 2050;

Euro 2,211,000 Class B12 Asset Backed Floating Rate Notes due October 2050;

Euro 5,376,000 Class B13 Asset Backed Floating Rate Notes due October 2050;

Euro 5,251,000 Class B14 Asset Backed Floating Rate Notes due October 2050;

Euro 16,504,000 Class B15 Asset Backed Floating Rate Notes due October 2050;

Euro 2,975,000 Class B16 Asset Backed Floating Rate Notes due October 2050;

Euro 2,483,000 Class B17 Asset Backed Floating Rate Notes due October 2050;

Euro 2,908,000 Class B18 Asset Backed Floating Rate Notes due October 2050;

Euro 1,586,000 Class B19 Asset Backed Floating Rate Notes due October 2050;

Euro 5,251,000 Class B20 Asset Backed Floating Rate Notes due October 2050;

Euro 10,214,000 Class B21 Asset Backed Floating Rate Notes due October 2050;

Euro 3,772,000 Class B22 Asset Backed Floating Rate Notes due October 2050;

Euro 7,261,000 Class B23 Asset Backed Floating Rate Notes due October 2050;

Euro 2,590,000 Class B24 Asset Backed Floating Rate Notes due October 2050;

Euro 24,977,000 Class B25 Asset Backed Floating Rate Notes due October 2050;

Euro 7,896,000 Class B26 Asset Backed Floating Rate Notes due October 2050;

Euro 11,845,000 Class B27 Asset Backed Floating Rate Notes due October 2050;

Euro 5,575,000 Class B28 Asset Backed Floating Rate Notes due October 2050;

Euro 15,441,000 Class B29 Asset Backed Floating Rate Notes due October 2050;

Euro 13,086,000 Class B30 Asset Backed Floating Rate Notes due October 2050.

The aggregate amount of the Class B Notes will be Euro 249,256,000 (the "**Class B Notes Aggregate Amount**").

**Issue Price**

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

<i>Class</i>	<i>Issue Price</i>
Class A Notes	100%
Class B Notes	100%

**Interest**

The rate of interest applicable from time to time in respect of the Class A Notes (the "**Interest Rate**") will be the lower of (i) EURIBOR for three month deposits in Euro (the "**Three Month EURIBOR**") (or in the case of the Initial Interest Period, the linear interpolation between the Euro-Zone Inter-Bank offered rate ("**Euribor**") for 5 month and 6 month deposits in Euro) plus a margin of 0.30% per annum in respect of the Class A Notes and (ii) 8.5% per annum.

Interest due on each Series of Class B Notes on each Payment Date will be equal to the relevant Single Series Class B Notes Interest Payment Amount (as defined below) as at such Payment Date.

**Single Series Class B Notes 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 accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*
- (ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iii) 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*
- (iv) 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*
- (v) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Payments Account, the Expenses Account and the Collection and Recoveries Account and paid

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

- (vi) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *plus*
- (vii) the Cash Reserve Excess of the Relevant Portfolio; *minus*
- (viii) (a) 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*) to (*Sixth*) of the Pre Acceleration Order of Priority, or  
  
(b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*), (*Fourth*), (*Sixth*) and (*Ninth*) of the Acceleration Order of Priority, or  
  
(c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Cross Collateral Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*) (*Fourth*), (*Sixth*), (*Seventh*) and (*Eleventh*) of the Cross Collateral Order of Priority; *minus*
- (ix) 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;

#### **Payment Date**

Interest is payable in respect of the Notes, quarterly in arrears in Euro on the 18<sup>th</sup> day of April, July, October and January in each year or, if such date is not a Business Day, on the following Business Day (each such date a "**Payment Date**"). The first Payment Date will fall on 18 October 2012 (the "**First Payment Date**") and will relate to the period from (and including) the Issue Date to (but excluding) such Payment Date.

#### **Form and Denomination**

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. Title to the Notes will be evidenced by book entries in accordance with the provisions of article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by CONSOB and the Bank of Italy, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

The Class A Notes will be issued in denominations of Euro 100,000. Each Series of Class B Notes will be issued in denominations of Euro 1,000.

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**").

## Status

With respect to the obligation of the Issuer to pay interest and to repay principal on the Notes before the delivery of a Trigger Notice (as defined below) or a Cross Collateral Notice (as defined below), the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes; and the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Class A Notes.

With respect of the obligation of the Issuer to pay interest and repay principal on the Notes following the delivery of a Trigger Notice or a Cross Collateral Notice, the Class A Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Class B Notes; and the Class B Notes will rank *pari passu* without preference or priority amongst themselves but 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 occurrence of a Cross Collateral Event and in case of acceleration of the reimbursement of the Notes, 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, the aggregate (without duplication) of:

- (i) all Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) all interest accrued and paid on the amounts standing to the credit

of each of the Accounts (except for the Expenses Account and 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;

- (iv) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date;
- (v) all interest accrued and paid on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Collection Period and paid into the same;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage 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 other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;
- (viii) all amounts paid into the Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (ix) all amounts paid into the Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (x) until full repayment of the Class A Notes:
  - (a) the amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) necessary to pay amount due under items from (*First*) to (*Sixth*) (included) of the Acceleration Order of Priority, or the Cross Collateral Order of Priority (as applicable) in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date,
  - (b) the amount equal to the difference (if positive) between (i) the amount of the Cash Reserves (including any amount to be credited on the Cash Reserve Accounts on such Payment Date and each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date, in respect of payments ranking as (*Ninth*) of the Cross Collateral

Order of Priority, in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date;

- (c) only on the Payment Date on which the amount under item (ii) of the Class A Notes Principal Payment Amount is to be utilised towards redemption of the Class A Notes, a corresponding amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), and
  - (d) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the amount of the Cash Reserves necessary to redeem in full the Class A Notes (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement);
- (xi) the Cash Reserve Excess of all Portfolios.

**Single Portfolio Available Funds**

Means, in respect of each Payment Date and each Portfolio, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (iv) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date;
- (v) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Collection Period;
- (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 Mortgage 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 other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Single Portfolio Available Funds utilised on the immediately preceding Payment Date, and in relation to the First Payment Date only, the relevant Issue Price Difference;
- (viii) the amounts paid into the Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds;
- (ix) with respect to each Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds and (b) the amount calculated as follows: (I) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds, multiplied by (II) the ratio between (x) the amount equal to the difference between the Target Cash Reserve Amount and the Relevant Cash Reserve (calculated taking into account any amount to be paid on such Payment Date), and (y) the aggregate of all amounts paid into all Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds;
- (x) until full repayment of the Class A Notes
  - (a) the amount of the Relevant Cash Reserve (augmented, if necessary, by the amount made available on such Payment Date by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) necessary exclusively to pay amount due under items from (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date, and
  - (b) the amount equal to the difference (if positive) between (i) the amount of the Relevant Cash Reserve (including amounts to be credited on the Relevant Cash Reserve Account on such Payment Date and augmented as the case may be by the amount made available by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date, in respect of payments ranking as (*Ninth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in

respect of such amounts on such Payment Date

(c) only on the Payment Date on which the amount under item (vii) of the Single Portfolio Amortised Principal is to be utilised towards payment of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, a corresponding amount of the Relevant Cash Reserve; and

(d) on the Final Maturity Date the amount of the Relevant Cash Reserve necessary to pay in full the relevant Single Portfolio Class A Notes Principal Amount Outstanding;

- (xi) the Cash Reserve Excess of the Relevant Portfolio;
- (xii) any amount received on the same Payment Date under item (*Tenth*) of the Pre Acceleration Order of Priority of each of the other Portfolios.

**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.

**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;
- (iv) with respect to Portfolio No. 4, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;
- (v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;
- (vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;

- (vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;
- (viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;
- (ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;
- (x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;
- (xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;
- (xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes; and
- (xiii) with respect to Portfolio No. 13, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B13 Notes;
- (xiv) with respect to Portfolio No. 14, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B14 Notes;
- (xv) with respect to Portfolio No. 15, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B15 Notes;
- (xvi) with respect to Portfolio No. 16, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B16 Notes;
- (xvii) with respect to Portfolio No. 17, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B17 Notes;

- (xviii) with respect to Portfolio No. 18, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B18 Notes;
- (xix) with respect to Portfolio No. 19, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B19 Notes;
- (xx) with respect to Portfolio No. 20, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B20 Notes;
- (xxi) with respect to Portfolio No. 21, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B21 Notes;
- (xxii) with respect to Portfolio No. 22, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B22 Notes;
- (xxiii) with respect to Portfolio No. 23, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B23 Notes;
- (xxiv) with respect to Portfolio No. 24, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B24 Notes;
- (xxv) with respect to Portfolio No. 25, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B25 Notes;
- (xxvi) with respect to Portfolio No. 26, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B26 Notes;
- (xxvii) with respect to Portfolio No. 27, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B27 Notes;
- (xxviii) with respect to Portfolio No. 28, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B28 Notes;

(xxix) with respect to Portfolio No. 29, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B29 Notes;

(xxx) with respect to Portfolio No. 30, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B30 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 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 the Principal Amount Outstanding as at the Issue Date of 2.32% of the Class A Notes, equal to Euro 30,900,000; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 2.43% of the Class A Notes, equal to Euro 32,400,000; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 9.05% of the Class A Notes, equal to Euro 120,600,000; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 7.11% of the Class A Notes, equal to Euro 94,800,000; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 3.01% of the Class A Notes, equal to Euro 40,100,000; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 1.64% of the Class A Notes, equal to Euro 21,800,000; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 1.34% of the Class A Notes, equal to Euro 17,800,000; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 1.87% of the Class A Notes, equal to Euro 24,900,000; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 4.46% of the Class A Notes, equal to Euro 59,400,000; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 5.85% of the Class A Notes, equal to Euro 78,000,000; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 1.90% of the Class A Notes, equal to Euro 25,300,000; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 0.89% of the Class A Notes, equal to Euro 11,800,000; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 2.17% of the Class A Notes, equal to Euro 28,900,000; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.12% of the Class A Notes, equal to Euro 28,200,000; (xv) with respect to



Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 6.61% of the Class A Notes, equal to Euro 88,100,000; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 1.19% of the Class A Notes, equal to Euro 15,800,000; (xvii) with respect to Portfolio No. 17 the Principal Amount Outstanding as at the Issue Date of 0.98% of the Class A Notes, equal to Euro 13,100,000; (xviii) with respect to Portfolio No. 18 the Principal Amount Outstanding as at the Issue Date of 1.17% of the Class A Notes, equal to Euro 15,600,000; (xix) with respect to Portfolio No. 19 the Principal Amount Outstanding as at the Issue Date of 0.62% of the Class A Notes, equal to Euro 8,300,000; (xx) with respect to Portfolio No. 20 the Principal Amount Outstanding as at the Issue Date of 2.09% of the Class A Notes, equal to Euro 27,800,000; (xxi) with respect to Portfolio No. 21 the Principal Amount Outstanding as at the Issue Date of 4.12% of the Class A Notes, equal to Euro 54,900,000; (xxii) with respect to Portfolio No. 22 the Principal Amount Outstanding as at the Issue Date of 1.49% of the Class A Notes, equal to Euro 19,900,000; (xxiii) with respect to Portfolio No. 23 the Principal Amount Outstanding as at the Issue Date of 2.92% of the Class A Notes, equal to Euro 38,900,000; (xxiv) with respect to Portfolio No. 24 the Principal Amount Outstanding as at the Issue Date of 1.06% of the Class A Notes, equal to Euro 14,100,000; (xxv) with respect to Portfolio No. 25 the Principal Amount Outstanding as at the Issue Date of 10.00% of the Class A Notes, equal to Euro 133,300,000; (xxvi) with respect to Portfolio No. 26 the Principal Amount Outstanding as at the Issue Date of 3.17% of the Class A Notes, equal to Euro 42,200,000; (xxvii) with respect to Portfolio No. 27 the Principal Amount Outstanding as at the Issue Date of 4.76% of the Class A Notes, equal to Euro 63,500,000; (xxviii) with respect to Portfolio No. 28 the Principal Amount Outstanding as at the Issue Date of 2.25% of the Class A Notes, equal to Euro 30,000,000; (xxix) with respect to Portfolio No. 29 the Principal Amount Outstanding as at the Issue Date of 6.21% of the Class A Notes, equal to Euro 82,800,000; (xxx) with respect to Portfolio No. 30 the Principal Amount Outstanding as at the Issue Date of 5.25% of the Class A Notes, equal to Euro 70,000,000.

**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 (i) with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts (but excluding amounts payable under item (vii) of the definition of

Single Portfolio Amortised Principal), *plus* (ii) only on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral-Order of Priority), an amount equal to the aggregate Single Portfolio Class A Notes Principal Amount Outstanding (which would otherwise remain outstanding following payments under item (i) above); *provided that* on the Final Maturity Date the Class A Notes Principal Payment Amount will be equal to the aggregate of all Single Portfolio Class A Notes Principal Amount Outstanding.

**Single Portfolio Class A  
Notes Principal Payment  
Amount**

Means with respect to each Payment Date and to each Portfolio the lower 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; *provided that* on the Final Maturity Date each Single Portfolio Class A Notes Principal Payment Amount will be equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

**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 relevant Claims collected during the immediately preceding Collection Period, 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) the aggregate amount of the Principal Instalments of the relevant Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;
- (iii) the Outstanding Principal of the relevant Claims 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 the relevant Claims 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 renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;
- (v) any repurchase price of the relevant Claims received in the immediately preceding Collection Period;
- (vi) the relevant Single Portfolio Amortised Principal unpaid at the previous Payment Date; and

- (vii) only on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority), an amount equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding (which would otherwise remain outstanding following payments under items from (i) to (vi) above).

## ACCOUNTS AND DESCRIPTION OF CASH FLOWS

### (1) ACCOUNTS HELD WITH THE OPERATING BANK

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

<b>Transitory Collections and Recoveries Accounts</b>	30 accounts denominated with reference to each Portfolio (each a " <b>Transitory Collections and Recoveries Account</b> ") ( <i>Conto Incassi e Recuperi Transitorio</i> ) <u>into which</u> all amounts received or recovered by each Servicer under each Relevant Portfolio will be paid within one Business Day following date of receipt; and <u>out of which</u> (i) all amounts standing to the credit of each such account will be transferred to the Collection and Recoveries Account (a) on the 2 <sup>nd</sup> (second) Business Day following the date of receipt or (b) if the aggregate balance of all the Transitory Collection and Recoveries Accounts is equal to or greater than Euro 500,000 (five hundred thousand), the Business Days following the date of receipt; and (ii) 2 (two) Business Days prior to each Payment Date all amounts standing to the credit of such account on the immediately preceding Collection Date shall be transferred to the Payments Account;
<b>Expenses Account</b>	an account (the " <b>Expenses Account</b> ") ( <i>Conto Spese</i> ) with IBAN No IT15T0800003200000800030122 <u>into which</u> (i) within the Issue Date the Retention Amount and the amounts indicated in the Notes Subscription Agreement necessary to pay certain upfront costs and expenses of the Issuer shall be paid; and (ii) on each Payment Date an amount shall be paid from the Payments Account so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and <u>out of which</u> the amounts necessary to pay certain upfront costs and expenses of the Issuer pursuant to the Notes Subscription Agreement and any taxes due and payable by the Issuer and any fees, costs and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing and comply with applicable legislation and regulations shall be paid;
<b>Quota Capital Account</b>	an account (the " <b>Quota Capital Account</b> ") ( <i>Conto Capitale Sociale</i> ) with IBAN No. IT38S0800003200000800030121 <u>into which</u> all

sums contributed by the Quotaholders as quota capital and any interest thereon will be credited.

## (2) ACCOUNTS HELD WITH THE TRANSACTION BANK

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

**Payments Account** an account (the "**Payments Account**") (*Conto Pagamenti*) with IBAN No. IT57B0310401600000000825356

*into which* (i) all amounts received by the Issuer under the Transaction Documents (other than the collections and recoveries on the Claims) will be credited if not credited to other accounts pursuant to the Transaction Documents; (ii) all amounts standing to the credit of the Investment Account and in general any sums arising from the liquidation, maturity or disposal of the Eligible Investments (including any profit generated thereby or interest matured thereon) shall be transferred two Business Days prior to each Payment Date; (iii) all amounts transferred from the Cash Reserve Accounts 2 (two) Business Days prior to each Payment Date in order to augment the Issuer Available Funds or the Single Portfolio Available Funds and as Cash Reserve Excess shall be credited; and

*out of which* (i) on the Business Day preceding each Payment Date until the Payment Date (excluded) on which the Class A Notes are fully reimbursed, an amount equal to the difference between (a) amounts invested in Eligible Investments out of each relevant Cash Reserve Account 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 15 of the Cash Administration and Agency Agreement and indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, and (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date, shall be credited to the relevant Cash Reserve Account; (ii) all amounts standing to credit thereof will be transferred to the Investment Account one Business Day after each Payment Date and on the Business Day following the 15<sup>th</sup> and the 30<sup>th</sup> day of each calendar month (except for February in which case the 30<sup>th</sup> day shall be the 28<sup>th</sup> and except for each month in which a Payment Date falls) if the balance of such account is equal to or higher than Euro 50,000 (fifty thousand); and (iii) on each Payment Date all payments of interest and principal on the Notes and any payments to the Other Issuer Creditors and any third party creditors of the Transaction shall be made in accordance with the applicable Order of Priority and the relevant Payments Report (provided that amounts necessary to pay interest and principal on the Notes shall be transferred to the Italian Paying Agent two Business Days before each Payment Date);

**Collection and Recoveries Account** an account (the "**Collection and Recoveries Account**") (*Conto Incassi e Recuperi*) with IBAN No. IT34C0310401600000000825357

*into which* all amounts standing to the credit of each Transitory Collections and Recoveries Account will be transferred (i) on the 2<sup>nd</sup> (second) Business Day following the date of receipt or (ii) if the aggregate balance of all the Transitory Collection and Recoveries Accounts is equal to or greater than Euro 500,000 (five hundred thousand), the Business Days following the date of receipt; and

*out of which* any amount standing to the credit of the Collection and Recoveries Account will be transferred on a daily basis, upon receipt, into the Investment Account;

### **Cash Reserve Accounts**

30 accounts denominated with reference to each Relevant Portfolio (each a "**Cash Reserve Account**") with IBAN No. IT85E031040160000000825359 (in respect of the Portfolio No. 1), IBAN No. IT37X031040160000000825360 (in respect of the Portfolio No. 2), IBAN No. IT14Y031040160000000825361 (in respect of the Portfolio No. 3), IBAN No. IT88Z031040160000000825362 (in respect of the Portfolio No. 4), IBAN No. IT58A031040160000000825363 (in respect of the Portfolio No. 5), IBAN No. IT75K031040160000000825389 (in respect of the Portfolio No. 6), IBAN No. IT12C031040160000000825365 (in respect of the Portfolio No. 7), IBAN No. IT86D031040160000000825366 (in respect of the Portfolio No. 8), IBAN No. IT63E031040160000000825367 (in respect of the Portfolio No. 9), IBAN No. IT40F031040160000000825368 (in respect of the Portfolio No. 10), IBAN No. IT17G031040160000000825369 (in respect of the Portfolio No. 11), IBAN No. IT66Z031040160000000825370 (in respect of the Portfolio No. 12), IBAN No. IT36A031040160000000825371 (in respect of the Portfolio No. 13), IBAN No. IT13B031040160000000825372 (in respect of the Portfolio No. 14), IBAN No. IT87C031040160000000825373 (in respect of the Portfolio No. 15), IBAN No. IT64D031040160000000825374 (in respect of the Portfolio No. 16), IBAN No. IT41E031040160000000825375 (in respect of the Portfolio No. 17), IBAN No. IT18F031040160000000825376 (in respect of the Portfolio No. 18), IBAN No. IT92G031040160000000825377 (in respect of the Portfolio No. 19), IBAN No. IT69H031040160000000825378 (in respect of the Portfolio No. 20), IBAN No. IT46I031040160000000825379 (in respect of the Portfolio No. 21), IBAN No. IT88B031040160000000825380 (in respect of the Portfolio No. 22), IBAN No. IT65C031040160000000825381 (in respect of the Portfolio No. 23), IBAN No. IT42D031040160000000825382 (in respect of the Portfolio No. 24), IBAN No. IT19E031040160000000825383 (in respect of the Portfolio No. 25), IBAN No. IT93F031040160000000825384 (in respect of the Portfolio No. 26), IBAN No. IT70G031040160000000825385 (in respect of the Portfolio No. 27), IBAN No. IT47H031040160000000825386 (in respect of the Portfolio No. 28), IBAN No. IT24I031040160000000825387 (in respect of the Portfolio No. 29), IBAN No. IT98J031040160000000825388 (in respect of the Portfolio No. 30)

*into which* (i) on the Issue Date, the relevant Limited Recourse Loan Provider shall credit the relevant Target Cash Reserve Amount pursuant to the Limited Recourse Loan Agreement; (ii) on the Issue Date the relevant Subscriber shall credit the amount as indicated in Schedule 5(B) of the Subscription Agreement (the "**Issue Price Difference**"); (iii) on each Payment Date all sums payable from the Relevant Portfolio under item (*Seventh*) of the Pre-Acceleration Order of Priority or the relevant quota of sums payable under item (*Seventh*) of the Cross Collateral Order of Priority, shall be credited, and (iv) on the Business Day preceding each Payment Date until the Payment Date (included) on which the Class A Notes are redeemed in full, an amount equal to the difference between (a) amounts transferred to the Investment Account out of each relevant Cash Reserve Account 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 15 of the Cash Administration and Agency Agreement as indicated in the relevant Payments Reports) in respect of the immediately following Payment Date, and (y) each relevant Cash Reserve Excess in respect of the immediately following Payment Date, shall be credited from the Payments Account; and

*out of which* (i) 2 (two) Business Days prior to each Payment Date, the amounts under item (ii) and (iv)(b)(x) and (iv)(b)(y) above (except for those described below under item (ii)) will be transferred to the Payments Account; or otherwise (ii) upon instruction of the Issuer (with the advice of ICCREA Banca or other financial advisor) pursuant to clause 8.1 of the Cash Management and Agency Agreement, all amount standing to the credit thereof will be transferred to the Investment Account.

The Issuer may direct the Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

**Reserve Account**

an account (the "**Reserve Account**") (*Conto di Riserva*)

*into which* on each Payment Date following the occurrence of a Detrimental Event, the Reserve Amount shall be paid from the Payments Account; and

*out of which* all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited;

**Single Portfolio Reserve Accounts**

30 accounts denominated with reference to each Portfolio (each a "**Single Portfolio Reserve Account**") (*Conto di Riserva Singolo Portafoglio*)

*into which* on each Payment Date following the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, the Single Portfolio Reserve Amount with respect to the Relevant Portfolio or Portfolios shall be paid from the Payments Account; and

*out of which* all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited;

### (3) ACCOUNTS HELD WITH THE ENGLISH TRANSACTION BANK

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

**Investment Account** a cash and securities account IBAN No. GB09DEUT40508123239600 (the "**Investment Account**")

*into which* (i) all the amounts standing to the credit of the Collection and Recoveries Account will be transferred on a daily basis; (ii) all the amounts standing to credit of the Payments Account will be transferred one Business Day after each Payment Date and on the Business Day following the 15<sup>th</sup> and 30<sup>th</sup> day of each calendar month (except for February in which case the 30<sup>th</sup> day shall be the 28<sup>th</sup> and except for each month in which a Payment Date falls) if the balance of such account is equal to or higher than Euro 50,000 (fifty thousand); (iii) (a) all the amounts standing to the credit of the Single Portfolio Reserve Accounts (if any), the Reserve Accounts (if any) and the Principal Amortisation Reserve Accounts (if any) will be transferred on the Business Day following the date on which the relevant amounts shall be credited on each of such account, in each case for the purpose of the investment in Eligible Investments and (b) the amounts standing to the credit of the Cash Reserve Accounts transferred pursuant to the Cash Management and Agency Agreement shall be credited for the purpose of the investment in Eligible Investments; and (iv) all securities constituting Eligible Investments and any proceeds upon maturity or any sums arising from the disposal or liquidation of the Eligible Investments (including profit generated thereby or interest matured thereon) different from those proceeds to be credited to the Payments Account shall be credited; and

*out of which* (i) any amounts standing to the credit thereof shall be credited to the Payments Account two Business Days before each Payment Date; and (ii) all amounts standing to the credit thereof will be applied by the Cash Manager as directed by the Issuer (with the advice of ICCREA Banca or other financial advisor) for the purchase of Eligible Investments.

Furthermore the Issuer may direct the English Transaction Bank to establish, maintain and operate the following accounts as separate accounts in the name of the Issuer:

**Principal Amortisation Reserve Accounts** 30 accounts denominated with reference to each Relevant Portfolio (each a "**Principal Amortisation Reserve Account**") (*Conto di Riserva Ammortamento Capitale*)

*into which* on each Payment Date following the occurrence of a Class A Disequilibrium Event with respect to one or more Portfolios the relevant Principal Amortisation Reserve Amount shall be paid

from the Payments Account; and

*out of which* all the amounts standing to the credit thereof will be transferred to the Investment Account on the Business Day following the date on which the relevant amounts shall be credited.

## ORDERS OF PRIORITY

### Pre-Acceleration Order of Priority

The Single Portfolio Available Funds relating to each of 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 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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain 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;

*Third*, to pay into the Expenses Account the relevant Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay the fees and expenses of the Servicer in respect of the Relevant Portfolio pursuant to the Servicing Agreement and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be (to the extent not expressly included in any following item);



*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date;

*Seventh*, to credit the relevant Cash Reserve Account with the amount required, if any, such that the amount standing to the credit of the relevant Cash Reserve Account (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount;

*Eighth*, 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 the terms of the Warranty and Indemnity Agreement;

*Ninth*, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount;

*Tenth*, to increase (*pari passu* and *pro rata* according to the amounts then due) the Single Portfolio Available Funds of each other Portfolio for an amount equal to the corresponding portion of Cash Reserve of each other Portfolio which has been utilized to augment the Single Portfolio Available Funds of the Relevant Portfolio (deducted by (i) the amount due by each corresponding other Portfolio under the same item of its Pre Acceleration Order of Priority and (ii) any amount already paid under this item in any preceding Payment Date).

*Eleventh*, upon the occurrence of a Class 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;

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

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

*Fourteenth*, to pay to the relevant Originator the Interest Accruals in relation to its Relevant Portfolio;

*Fifteenth*, 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 (*Eighth*) above) and pursuant

to the Subscription Agreement;

*Sixteenth*, to pay to the relevant Originator, any amount due and payable as restitution of the insurance price and relevant expenses advanced by it under the relevant Transfer Agreement;

*Seventeenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to the relevant Limited Recourse Loan Provider under the Limited Recourse Loan Agreement;

*Eighteenth*, to pay the Single Series Class B Notes 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 (*pro rata* according to the amounts then due);

*Nineteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds;

*Twentieth*, 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 Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator.

**Acceleration Order of Priority**

In each of the following cases: (i) following the delivery of a Trigger Notice, (ii) in the case of Redemption for Taxation, or (iii) in the case of Optional Redemption, 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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain 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 and the Receiver;

*Third*, to pay into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay to each Servicer all the fees and expenses pursuant to the Servicing Agreement (*pro rata* according to the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be, to the extent not expressly included in any following item;

*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Class A Notes on such Payment Date;

*Seventh*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

*Eighth*, to pay (*pari passu* and *pro rata* according to the amounts then due) the Principal Amount Outstanding on the Class A Notes on such Payment Date;

*Ninth*, to pay to each Originator (*pari passu* and *pro rata* to the amounts then due), the difference (if positive) accrued on any preceding Payment Date on which the Cross Collateral Order of Priority or the Acceleration Order of Priority has applied, between (i) the amounts it would have received under items (*Fourteenth*) to (*Twentieth*) of the Pre Acceleration Order of Priority, had the Pre Acceleration Order of Priority been applied, and (ii) the amounts it actually received under items (*Twelfth*) to (*Eighteenth*) of the Cross Collateral Order of Priority and under items (*Tenth*) to (*Sixteenth*) of the Acceleration Order of Priority (less any amount already paid under this item and under item (*Eleventh*) of the Cross Collateral Order of Priority on any preceding Payment Date), provided that, should an Originator cease to be a Class B Noteholders, starting from the immediately following Payment Date, the difference accrued in respect of each of the above indicated items shall be paid to the Originators, the Class B Noteholders and the Limited Recourse Loan Providers in the same priority applicable to each item in respect of which each such difference is calculated;

*Tenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) the Interest Accruals with

respect to the Relevant Portfolio;

*Eleventh*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) 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 (*Seventh*) above) and pursuant to the Subscription Agreement;

*Twelfth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due and payable as restitution of the insurance price and relevant expenses advanced by such Originator under the relevant Transfer Agreement;

*Thirteenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to each Limited Recourse Loan Provider under the Limited Recourse Loan Agreement (*pro rata* according to the performance of the Relevant Portfolio);

*Fourteenth*, to pay the Single Series Class B Notes 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);

*Fifteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of each Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

*Sixteenth*, to pay any surplus standing to the credit of any of the Accounts to each Originator (*pro rata* according to the performance of the Relevant Portfolio).

The Issuer is entitled, pursuant to the Intercreditor Agreement and the Conditions, to dispose of the Claims in order to finance the redemption of the Notes following the service of a Trigger Notice.

### **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*, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay (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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and

expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain 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;

*Third*, to pay into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay the fees and expenses of the Servicers pursuant to the Servicing Agreement (*pro rata* according to the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be (to the extent not expressly provided in any following item);

*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Class A Notes on such Payment Date;

*Seventh*, to credit, *pari passu* and *pro rata* according to the amounts then due, each Cash Reserve Account with the amount required, if any, such that the amount standing to the credit of the relevant Cash Reserve Account (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount;

*Eighth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

*Ninth*, to pay (*pari passu* and *pro rata* according to the amounts then due) the Class A Notes Principal Payment Amount;

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

*Eleventh*, to pay to each Originator (*pari passu* and *pro rata* to the amounts then due), the difference (if positive) accrued on any

preceding Payment Date on which the Cross Collateral Order of Priority has applied, between (i) the amounts it would have received under items (*Fourteenth*) to (*Twentieth*) of the Pre Acceleration Order of Priority, had the Pre Acceleration Order of Priority been applied, and (ii) the amounts it actually received under items (*Twelfth*) to (*Eighteenth*) of the Cross Collateral Order of Priority (less any amount already paid under this item on any preceding Payment Date), provided that, should an Originator cease to be a Class B Noteholders, starting from the immediately following Payment Date, the difference accrued in respect of each of the above indicated items shall be paid to the Originators, the Class B Noteholders and the Limited Recourse Loan Providers in the same priority applicable to each item in respect of which each such difference is calculated.

*Twelfth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) the Interest Accruals with respect to the Relevant Portfolio;

*Thirteenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) 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 (*Eighth*) above) and pursuant to the Subscription Agreement;

*Fourteenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due and payable as restitution of the insurance price and relevant expenses advanced by such Originator under the relevant Transfer Agreement;

*Fifteenth*, to pay the Single Series Class B Notes 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, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds;

*Seventeenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to each Limited Recourse Loan Provider under the Limited Recourse Loan Agreement (*pro rata* according to the performance of the Relevant Portfolio);

*Eighteenth*, 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 Transitory

Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator (*pro rata* according to the performance of the Relevant Portfolio).

## Trigger Events

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

(a) *Non-payment:*

- (i) the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes on the Final Maturity Date;
- (ii) 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 on the Class A Notes or the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes, as the case may be; 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 (other than (i) the obligation to pay principal on the Notes in case the Issuer has not enough Single Portfolio Available Funds or Issuer Available Funds (as the case may be) to such purpose on any Payment Date, and (ii) any payment obligation on the Notes under paragraph (a) above) or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole 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:*

- (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* *accordi di ristrutturazione* and *amministrazione straordinaria*, 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 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;
- (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 in any case acting in accordance with the Conditions and the Rules of the Organisation 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 holders of the Class A Notes, in the case of the Trigger Events set out under points (b) and (c) above;
- (iii) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to each of 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.

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

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 and to the Other Issuer Creditors shall be made in accordance with the Acceleration Order of Priority.

## **Cross Collateral Events**

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

- (a) *Disequilibrium Event*

With respect to four successive Payment Dates, a Class A Disequilibrium Event occurs;

- (b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 4.75%; or

- (c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Single

Portfolio Negative Balances (but excluding item (*Ninth*) of the Pre-Acceleration Order of Priority) with respect to such Payment Date is equal to or exceeds the Cash Reserve;

then the Representative of the Noteholders, upon receipt of written notice from the Computation Agent, shall serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to each Servicer) 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).

#### **Class A Disequilibrium Event**

A Class 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 all or some of the other Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

Upon the occurrence of a Class 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 Class A Disequilibrium Event has not occurred.

"**Principal Amortisation Reserve Amount**" means with respect to a Payment Date on which a Class A Disequilibrium 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.

#### **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 the Cash Reserve (calculated taking into account any amount to be paid into and out of the Cash Reserve Accounts on such Payment Date) is less than 80% (eighty per cent) of the aggregate of the Target Cash Reserve Amounts.

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

#### **Single Portfolio Detrimental Event**

A 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 one or more

Relevant Cash Reserve (calculated taking into account any amount to be paid into and out of such relevant Cash Reserve Account on such Payment Date) is less than 50% (fifty per cent.) of the relevant Target Cash Reserve Amount.

Upon the occurrence of a 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 Single Portfolio Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Reserve Account.

## CASH RESERVES

On the Issue Date the Issuer will establish a reserve fund in each Cash Reserve Account. Specifically, pursuant to the Limited Recourse Loan Agreement: (i) Banca Romagna Cooperativa will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,900,000 (the "**Banca Romagna Cooperativa Limited Recourse Loan**"), (ii) BCC di Forlì will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,050,000 (the "**BCC di Forlì Limited Recourse Loan**"), (iii) Banca della Marca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 7,000,000 (the "**Banca della Marca Limited Recourse Loan**"), (iv) BCC Trevigiano will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 5,500,000 (the "**BCC Trevigiano Limited Recourse Loan**"), (v) BCC CentroMarca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,300,000 (the "**BCC CentroMarca Limited Recourse Loan**"), (vi) BCC di Anghiari will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,300,000 (the "**BCC di Anghiari Limited Recourse Loan**"), (vii) BCC del Valdarno will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,150,000 (the "**BCC del Valdarno Limited Recourse Loan**"), (viii) BCC Vicentino will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,470,000 (the "**BCC Vicentino Limited Recourse Loan**"), (ix) CRA di Brendola will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,400,000 (the "**CRA di Brendola Limited Recourse Loan**"), (x) BCC di Alba will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 4,600,000 (the "**BCC di Alba Limited Recourse Loan**"), (xi) Banca di Pistoia will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,500,000 (the "**Banca di Pistoia Limited Recourse Loan**"), (xii) BCC di Campiglia dei Berici will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 800,000 (the "**BCC di Campiglia dei Berici Limited Recourse Loan**"), (xiii) BCC Crediveneto will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,750,000 (the "**BCC Crediveneto Limited Recourse Loan**"), (xiv) CrediUmbria BCC will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,700,000 (the "**CrediUmbria BCC Limited Recourse Loan**"), (xv) BCC Pompiano e Franciacorta will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 5,200,000 (the "**BCC Pompiano e Franciacorta Limited**

**Recourse Loan**"), (xvi) Banca Adige Po will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,000,000 (the "**Banca Adige Po Limited Recourse Loan**"), (xvii) BCC di Ancona will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 800,000 (the "**BCC di Ancona Limited Recourse Loan**"), (xviii) BCC di Bedizzole T.V. will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,000,000 (the "**BCC di Bedizzole T.V. Limited Recourse Loan**"), (xix) BCC di Ostra e Morro d'Alba will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 550,000 (the "**BCC di Ostra e Morro d'Alba Limited Recourse Loan**"), (xx) BCC Adda e Cremasco will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,700,000 (the "**BCC Adda e Cremasco Limited Recourse Loan**"), (xxi) Banca San Biagio del Veneto Orientale will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,200,000 (the "**Banca San Biagio del Veneto Orientale Limited Recourse Loan**"), (xxii) BCC di Gatteo will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,250,000 (the "**BCC di Gatteo Limited Recourse Loan**"), (xxiii) Romagna Est BCC will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,300,000 (the "**Romagna Est BCC Limited Recourse Loan**"), (xxiv) BCC Camerano will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 950,000 (the "**BCC Camerano Limited Recourse Loan**"), (xxv) BCC di Monastier will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 7,600,000 (the "**BCC di Monastier Limited Recourse Loan**"), (xxvi) RovigoBanca will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 2,500,000 (the "**RovigoBanca Limited Recourse Loan**"), (xxvii) Banca San Giorgio Quinto Valle Agno will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 3,750,000 (the "**Banca San Giorgio Quinto Valle Agno Limited Recourse Loan**"), (xxviii) BCC Valdinievole will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 1,950,000 (the "**BCC Valdinievole Limited Recourse Loan**"), (xxix) BCC di Carate Brianza will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 4,900,000 (the "**BCC di Carate Brianza Limited Recourse Loan**"), (xxx) BCC Malatestiana will advance to the Issuer on the Issue Date a limited recourse loan for an amount of Euro 4,100,000 (the "**BCC Malatestiana Limited Recourse Loan**"), (collectively, the "**Limited Recourse Loans**") which will be deposited into the relevant Cash Reserve Account to fund each Relevant Cash Reserve, for an aggregate amount of Euro 79,170,000 (equal to 5% of the principal outstanding amount of the Portfolios as of the Effective Date) necessary to fund the Cash Reserves as at the Issue Date.

"**Relevant Cash Reserve**" means with respect to the Portfolio of each Limited Recourse Loan Provider and with reference to any given Payment Date and Calculation Date, the monies standing from time to time to the credit of the relevant Cash Reserve Account, on the immediately preceding Payment Date (after application of the Single Portfolio Available Funds or the Issuer Available Funds, in

accordance with the applicable Order of Priority) except for each Issue Price Difference.

**"Cash Reserves"** means all of the Relevant Cash Reserve.

Thereafter, on each Payment Date prior to the delivery of a Trigger Notice to (but excluding) the Payment Date on which the 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 relevant Cash Reserve Account an amount to bring the balance of such account equal to the relevant Target Cash Reserve Amount.

**"Target Cash Reserve Amount"** means (i) with respect to Portfolio No. 1, an amount equal to 5.18% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (ii) with respect to Portfolio No. 2, an amount equal to 5.33% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (iii) with respect to Portfolio No. 3, an amount equal to 4.89% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (iv) with respect to Portfolio No. 4, an amount equal to 4.89% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (v) with respect to Portfolio No. 5, an amount equal to 4.84% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (vi) with respect to Portfolio No. 6, an amount equal to 5.02% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (vii) with respect to Portfolio No. 7, an amount equal to 5.45% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (viii) with respect to Portfolio No. 8, an amount equal to 4.98% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (ix) with respect to Portfolio No. 9, an amount equal to 4.82% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (x) with respect to Portfolio No. 10, an amount equal to 4.97% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xi) with respect to Portfolio No. 11, an amount equal to 4.99% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xii) with respect to Portfolio No. 12, an amount equal to 5.71% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xiii) with respect to Portfolio No. 13, an amount equal to 5.11% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xiv) with respect to Portfolio No. 14, an amount equal to 5.08% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xv) with respect to Portfolio No. 15, an amount equal to 4.97% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xvi) with respect to Portfolio No. 16, an amount equal to 5.33% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xvii) with respect to Portfolio No. 17, an amount equal to 5.13% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xviii) with respect to Portfolio No. 18, an amount equal to 5.40% of the principal outstanding amount of the Relevant Portfolio as of the Effective

Date; (xix) with respect to Portfolio No. 19, an amount equal to 5.56% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xx) with respect to Portfolio No. 20, an amount equal to 5.14% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxi) with respect to Portfolio No. 21, an amount equal to 4.91% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxii) with respect to Portfolio No. 22, an amount equal to 5.28% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxiii) with respect to Portfolio No. 23, an amount equal to 4.98% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxiv) with respect to Portfolio No. 24, an amount equal to 5.69% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxv) with respect to Portfolio No. 25, an amount equal to 4.80% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxvi) with respect to Portfolio No. 26, an amount equal to 4.99% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxvii) with respect to Portfolio No. 27, an amount equal to 4.98% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxviii) with respect to Portfolio No. 28, an amount equal to 5.48% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxix) with respect to Portfolio No. 29, an amount equal to 4.99% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; (xxx) with respect to Portfolio No. 30, an amount equal to 4.93% of the principal outstanding amount of the Relevant Portfolio as of the Effective Date; *provided that* each Target Cash Reserve Amount will be equal to 0 (zero) on the earlier of the Payment Date on which the Class A Notes are redeemed in full (and on each Payment Date thereafter) and the Final Maturity Date.

(A) Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, each Relevant Cash Reserve, in the event of a Single Portfolio Negative Balance:

- (a) firstly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under items (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority;
- (b) secondly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under item (*Ninth*) of the Pre-Acceleration Order of Priority for an amount not higher than the difference (if positive) between the amount of the Relevant Cash Reserve available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes of the Relevant Portfolio as at the day following the immediately preceding Payment Date;
- (c) thereafter, (to the extent not utilised under item (a) and (b) above and (B) below and in any case taking into account for

each Cash Reserve its relevant limit under item (b) above) shall augment the Single Portfolio Available Funds in respect of the other Portfolios, pursuant to the terms of the Cash Administration and Agency Agreement, in case any of the other Relevant Cash Reserves is not sufficient to meet the Single Portfolio Negative Balance of the Relevant Portfolio.

(B) In addition (i) on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority), the Relevant Cash Reserve of each Portfolio will be utilised to such purpose, and (ii) on the Final Maturity Date each Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority) will be utilised towards payment of the Single Portfolio Class A Notes Principal Amount Outstanding of the relevant Portfolio.

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 Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), in case of a Portfolio Negative Balance:

- (a) firstly, shall provide support (being included in the Issuer Available Funds) with respect to all Portfolios in respect of payments under items (*First*) to (*Sixth*) of the Cross Collateral Order of Priority or the Acceleration Order of Priority (as applicable);
- (b) secondly, shall provide support (being included in the relevant Issuer Available Funds) with respect to the aggregate of all the Portfolios in respect of payments under item (*Ninth*) of the Cross Collateral Order of Priority, for an amount not higher than the difference (if positive) between the amount of the Cash Reserve available after making the payments under letter (a) above, and an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date.

In addition (i) on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral Order of Priority), the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) will be utilised to such purpose, and (ii) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority or the Cross Collateral Order of

Priority, as applicable) will be utilised (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) to redeem in full the Class A Notes.

If, on any Calculation Date it is verified that the Target Cash Reserve Amount with reference to each of the Cash Reserve Accounts is to be reduced to zero due to the Class A Notes being redeemed in full on the immediately following Payment Date, each amount standing to the credit of each relevant Cash Reserve Account on the Business Day following the immediately preceding Payment Date (less any amount which shall be used on the Payment Date on which the Class A Notes are redeemed in full to make such redemption) (each relevant amount, the "**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 or the Issuer Available Funds, as applicable.

### **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 October 2050 and the Class B Notes will be redeemed at their Principal Amount Outstanding on the Payment Date falling on October 2050 (the "**Final Maturity Date**").

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

### **Mandatory Redemption**

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

- (A) on each Payment Date (other than the Payment Dates under item (B) below), in a maximum amount equal to their Class A Notes 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 9.1; (ii) in the case of Redemption for Taxation pursuant to Condition 6.2; or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4, 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.

### **Optional Redemption**

The Issuer may redeem the Notes in whole but not in part (or only the Class A Notes in whole, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, if at the



preceding Collection Date the aggregate principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the principal outstanding amount of all the Portfolios as of the Effective Date; and (ii) the Purchase Price (such relevant Payment Date the "**Clean Up Option Date**").

Such optional redemption shall be effected by the Issuer giving not more than forty-five (45) nor less than fifteen (15) days' prior written notice to the Representative of the Noteholders and to the Class A 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 (or the Class A Notes only, if all the Class B Noteholders consent) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the relevant Notes to be redeemed.

### **Redemption for Taxation**

If the Issuer 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, to the effect that the Issuer:

- (A) 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 that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); or
- (B) has become liable to *imposta sul reddito delle società (IRES)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios;

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 to the Notes (or with the consent of the Class B Noteholders the Class A Notes only) and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, each Notes (together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes),

the Issuer may, on the first Payment Date on which such necessary funds become available to it, redeem the Notes in whole but not in part (or only the Class A Notes in whole, if all the Class B

Noteholders consent) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date and together with all payments ranking in priority or *pari passu* with the relevant Notes to be redeemed and on such Payment Date the Acceleration Order of Priority will become applicable, provided that the Issuer shall have given not more than forty-five (45) nor less than fifteen (15) days' prior written notice to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 13 (*Notices*).

Upon redemption of the Class A Notes the Issuer shall apply any Issuer Available Funds which may be applied for this purpose in accordance with the Acceleration Order of Priority to the redemption of 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 (with a copy to the Servicer) 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 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. 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.

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to article 11 of the Intercreditor Agreement.

### **The Portfolios**

The principal source of payment of interest and 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 purchased by the Issuer pursuant to

the Transfer Agreements:

**Portfolio No. 1**, the portfolio of Claims which are sold to the Issuer by Banca Romagna Cooperativa;

**Portfolio No. 2**, the portfolio of Claims which are sold to the Issuer by BCC di Forlì;

**Portfolio No. 3**, the portfolio of Claims which are sold to the Issuer by Banca della Marca;

**Portfolio No. 4**, the portfolio of Claims which are sold to the Issuer by BCC Trevigiano;

**Portfolio No. 5**, the portfolio of Claims which are sold to the Issuer by BCC CentroMarca;

**Portfolio No. 6**, the portfolio of Claims which are sold to the Issuer by BCC di Anghiari;

**Portfolio No. 7**, the portfolio of Claims which are sold to the Issuer by BCC del Valdarno;

**Portfolio No. 8**, the portfolio of Claims which are sold to the Issuer by BCC Vicentino;

**Portfolio No. 9**, the portfolio of Claims which are sold to the Issuer by CRA di Brendola;

**Portfolio No. 10**, the portfolio of Claims which are sold to the Issuer by BCC di Alba;

**Portfolio No. 11**, the portfolio of Claims which are sold to the Issuer by Banca di Pistoia;

**Portfolio No. 12**, the portfolio of Claims which are sold to the Issuer by BCC di Campiglia dei Berici;

**Portfolio No. 13**, the portfolio of Claims which are sold to the Issuer by BCC Crediveneto;

**Portfolio No. 14**, the portfolio of Claims which are sold to the Issuer by CrediUmbria BCC;

**Portfolio No. 15**, the portfolio of Claims which are sold to the Issuer by BCC Pompiano e Franciacorta;

**Portfolio No. 16**, the portfolio of Claims which are sold to the Issuer by Banca Adige Po;

**Portfolio No. 17**, the portfolio of Claims which are sold to the Issuer by BCC di Ancona;

**Portfolio No. 18**, the portfolio of Claims which are sold to the Issuer by BCC di Bedizzole T.V.;

**Portfolio No. 19**, the portfolio of Claims which are sold to the Issuer by BCC di Ostra e Morro d'Alba;

**Portfolio No. 20**, the portfolio of Claims which are sold to the Issuer by BCC Adda e Cremasco;

**Portfolio No. 21**, the portfolio of Claims which are sold to the Issuer by Banca San Biagio del Veneto Orientale;

**Portfolio No. 22**, the portfolio of Claims which are sold to the Issuer by BCC di Gatteo;

**Portfolio No. 23**, the portfolio of Claims which are sold to the Issuer by Romagna Est BCC;

**Portfolio No. 24**, the portfolio of Claims which are sold to the Issuer by BCC Camerano;

**Portfolio No. 25**, the portfolio of Claims which are sold to the Issuer by BCC di Monastier;

**Portfolio No. 26**, the portfolio of Claims which are sold to the Issuer by RovigoBanca;

**Portfolio No. 27**, the portfolio of Claims which are sold to the Issuer by BCC San Giorgio Quinto Valle Agno;

**Portfolio No. 28**, the portfolio of Claims which are sold to the Issuer by BCC Valdinievole;

**Portfolio No. 29**, the portfolio of Claims which are sold to the Issuer by BCC di Carate Brianza;

**Portfolio No. 30**, the portfolio of Claims which are sold to the Issuer by BCC Malatestiana (collectively the "**Portfolios**").

The claims comprised in the Portfolios are claims arising under loan agreements which on 30<sup>th</sup> November 2011 (the "**Valuation Date**") were all performing claims (the "**Claims**", which term, for the purposes of this Prospectus will be deemed to include any Claim which, after the Valuation Date, has become or will become non performing, and herein a "**Defaulted Claim**"). See further "*Description of the Transfer Agreements*" and "*Description of the Warranty and Indemnity Agreement*".

## **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 (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 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 Aa2(sf) by Moody's Italia S.r.l. and AA(sf) by DBRS. 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 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.

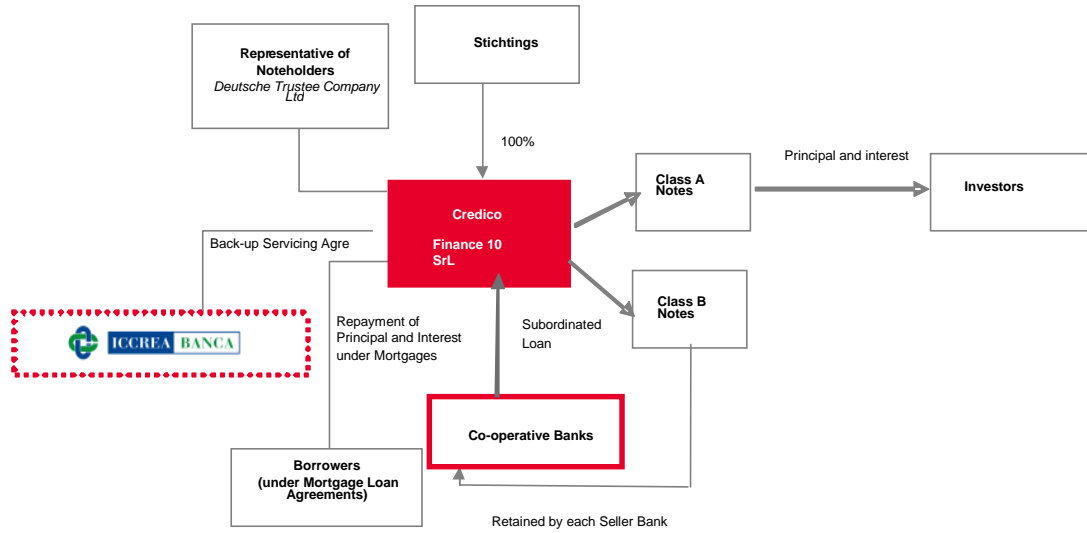
#### **Listing**

Application has been made to list and admit to trading the Class A Notes on the Irish Stock Exchange. 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 and all of the Transaction Documents other than the Deed of Charge and the Stichting Corporate Services Agreement will be governed by Italian law. The Deed of Charge will be governed by English law and the Stichting Corporate Services Agreement will be governed by Dutch law.

# TRANSACTION DIAGRAM



## THE PORTFOLIOS

The Portfolios purchased by the Issuer comprise debt obligations arising out of residential mortgage loans classified as performing by the relevant Originator. The Originators are not allowed to transfer to the Issuer additional portfolios of claims.

### SELECTION CRITERIA OF THE CLAIMS

The Claims included in the Portfolios have been selected on the basis of the following general criteria (the "**General Criteria**") as at the Valuation Date (or at the specific date indicated with respect to the relevant General Criteria), as well as on the basis of further specific objective criteria (the "**Specific Criteria**"), as the Valuation Date and as set out for each Originator below, in order to ensure that the Claims have the same legal and financial characteristics.

#### The General Criteria are as follows:

- (a) denominated in Euro;
- (b) classified by the Originators as *in bonis* pursuant to the relevant supervisory provisions (*normativa di vigilanza*) enacted by the Bank of Italy;
- (c) deriving from Mortgage Loan Agreements with reference to which at least an Instalment has been paid;
- (d) deriving from Mortgage Loans secured by a Mortgage in favour of the relevant Originator which is (i) a first legal priority mortgage, or (ii) a first economic priority mortgage, meaning: (a) mortgages having a priority ranking lower than first legal priority provided that all obligations secured by mortgage/mortgages with prevailing priority, had been fully satisfied as at the Valuation Date; (b) mortgages having a priority ranking lower than first legal priority provided that all mortgages with prevailing priority (save for the further mortgages with prevailing priority whose secured obligations have been fully satisfied as at the Valuation Date) are registered in favour of the same Originator as a security for claims that satisfy all the other Criteria related to the relevant Originator;
- (e) with reference to which the pre-amortisation period (if any) specified in the relevant Mortgage Loan Agreement has elapsed;
- (f) deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not later than 31 December 2041;
- (g) not deriving from Mortgage Loan Agreements pursuant to any Italian law provisions allowing any contributions, profits or facilities of whatever kind (the so-called "*mutui agevolati*" and "*mutui convenzionati*");
- (h) not deriving from Mortgage Loan Agreements granted to persons being employees of the relevant Originator;
- (i) not deriving from Mortgage Loan Agreements qualified as "agricultural credit" (*credito agrario*) pursuant to article 43 of the Consolidated Banking Act, neither in case the agricultural credit transaction has been executed through an agricultural bill (*cambiale agraria*);
- (j) deriving from Mortgage Loan Agreements (1) which in relation to all the Installments which are due and payable, save for the last Installment, do not hold due and unpaid

Installments as at the Valuation Date; (2) with reference to which the last Installment due and payable before the Valuation Date has been paid within 15 days following the relevant due date; (3) which, as at the Effective Date, do not hold due and unpaid Installments for a period longer than 15 days;

- (k) deriving from Mortgage Loans fully disbursed for which there is no obligation, neither it is possible, to disburse any further amount;
- (l) deriving from Mortgage Loan Agreements whose relevant Borrowers and guarantor are individuals resident or domiciled in Italy and in any case resident in the European Economic Area;

*excluding:*

- (i) mortgage loans which, even if *in bonis*, have been classified at any time as defaulted loans (*crediti in sofferenza*) pursuant to the relevant Bank of Italy's supervisory provisions (*Istruzioni di Vigilanza*);
- (ii) mortgage loans with reference to which, as at the Effective Date (included), the relevant borrower (i) has sent to its respective Originator the notice of acceptance of the renegotiation offer, or (ii) has attended in person a branch of the relevant Originator, accepting the renegotiation offer, pursuant to law decree No. 93/2008, as amended by law No. 126/2008, and the agreement entered into on 19 June 2008 between ABI and *Ministero dell'Economia e delle Finanze*, as amended from time to time.
- (iii) mortgage loans with reference to which, as at 1 March 2012 (included), (a) the relevant Originator and its respective borrower have executed a moratorium agreement providing for the suspension of payment of the instalments (entirely or only with respect to the principal quota) or (b) the relevant borrower have filed a request to the relevant Originator in order to obtain a moratorium agreement providing for the suspension of payment of the instalments (entirely or only with respect to the principal quota).

**The Specific Criteria are as follows:**

**1) BANCA ROMAGNA COOPERATIVA**

- (a) Mortgage Loans whose residual amount outstanding is, as at 27 September 2011, higher than Euro 20,000 (twenty thousand/00) and lower than Euro 450,000 (four hundred and fifty thousand/00);
- (b) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0.50% (zero point fifty per cent);

*but excluding:*

- (i) mortgage loans whose relevant borrower has been classified at any time as defaulted (*in sofferenza*) by banks or credit institutions other than the Originator;

**2) BCC DI FORLÌ**

- (a) Mortgage Loans secured by a Mortgage on at least one Real Estate Asset whose cadastral category (*categoria catastale*) falls within "Group A1 – A9";



- (b) Mortgage Loans whose residual amount outstanding, as at 29 September 2011, is higher than Euro 20,000.00 (twenty thousand/00) and lower than 400,000.00 (four hundred thousand /00);
- (c) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0.50% (zero point fifty per cent);
- (d) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");

*but excluding:*

- (i) mortgage loans disbursed through the branch 21 (branch Santa Sofia, whose registered office is in Piazza Matteotti No. 3, Santa Sofia (FC)) and the branch 22 (branch Galeata, whose registered office is in Piazza Palareti No. 16, Galeata (FC)), of the Originator;

### **3) BANCA DELLA MARCA**

- (a) Mortgage Loans whose LTV (loan to value, calculated as the ratio between the original principal amount of the relevant Mortgage Loan and the value of the Real Estate Asset, as determined in the evaluation carried out when the Mortgage Loan has been granted) is not higher than 100% (one hundred per cent);
- (b) Mortgage Loans whose LTV (loan to value, calculated as the ratio between the principal outstanding amount of the relevant Mortgage Loan as at 27 October 2011 and the value of the Real Estate Asset, as determined in the evaluation carried out when the Mortgage Loan has been granted) is lower than or equal to 85% (eighty five per cent);
- (c) floating rate Mortgage Loans indexed to 3 month Euribor or to 6 month Euribor whose minimum spread is (i) higher than or equal to 0.90% (zero point ninety per cent); or (ii) higher than or equal to 0.80% (zero point eighty per cent) provided that a floor not lower than 2.40% (two point forty per cent) (*tasso pavimento*) is set forth;
- (d) Mortgage Loans whose residual amount outstanding is, as at 27 October 2011, higher than or equal to Euro 30,000 (thirty thousand/00) and lower than or equal to Euro 700,000 (seven hundred thousand/00);
- (e) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");

### **4) BCC TREVIGIANO**

- (a) Mortgage Loans whose residual amount outstanding is, as at 11 August 2011, higher than Euro 10,000 (ten thousand/00) and lower than Euro 800,000 (eight hundred thousand/00);
- (b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not later than 29 December 2040;

- (c) floating rate Mortgage Loans or fixed rate Mortgage Loans, including such Mortgage Loans deriving from Mortgage Loan Agreements which provide for the option of the relevant Borrower to modify, on dates agreed in the relevant Mortgage Loan Agreements, the interest rate from a floating rate to a fixed rate and *vice versa*;

*but excluding:*

- (i) mortgage loans deriving from mortgage loan agreements which provide for the reimbursement through the payment of a final maxi-instalment;

**5) BCC CENTROMARCA**

- (a) Mortgage Loans whose residual amount outstanding is, as at 30 September 2011, higher than Euro 50,000 (fifty thousand/00) and lower than Euro 350,000 (three hundred and fifty thousand/00);
- (b) floating rate Mortgage Loans whose spread is higher than 0.50 % (zero point fifty per cent);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal amount and by an interest component;
- (d) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");
- (e) Mortgage Loans in relation to which the payment of the Instalment is made by way of stand by instruction to debit an account held with the Originator.

*but excluding:*

- (i) fixed rate mortgage loans;
- (ii) mortgage loans deriving from mortgage loan agreements which provide for the reimbursement through the payment of a final maxi-instalment;
- (iii) mortgage loans deriving from mortgage loan agreements which provide for a minimum and a maximum duration of the relevant amortisation plan and whose amortisation plan provides for constant instalments and variable duration, according to which each instalment has a fixed amount and the amortisation plan is extended or reduced due to the increase or the decrease of the applicable interest rate, provided that, in any case, the applicable amortisation plan may not exceed the minimum and the maximum duration limits set forth in the relevant Mortgage Loan Agreement;
- (iv) mortgage loans granted by a pool of banks/credit institutions, including the Originator;

**6) BCC DI ANGHIARI**

- (a) Mortgage Loans whose residual amount outstanding is, as at 26 October 2011, higher than or equal to Euro 20,000 (twenty thousand/00) and lower than or equal to Euro 300,000 (three hundred thousand/00);

- (b) Mortgage Loans whose interest rate, if a fixed rate is applicable, is higher than or equal to 4.25% (four point twenty five per cent);
- (c) Mortgage Loans whose spread, if a floating rate is applicable, is higher than or equal to 0.50% (zero point fifty per cent);

**7) BCC DEL VALDARNO**

- (a) Mortgage Loans deriving from Mortgage Loan Agreements entered into on a date not later than 31 August 2011 (included) and disbursed on a date not later than 31 August 2011 (included);
- (b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not prior to 31 December 2012;
- (c) Mortgage Loans whose residual amount outstanding is, as at 31 August 2011, higher than or equal to Euro 30,000 (thirty thousand/00) and lower than or equal to Euro 230,000 (two hundred and thirty thousand/00);

*but excluding:*

- (i) mortgage loans whose spread, if a floating rate is applicable, is lower than 0.70% (zero point seventy per cent);
- (ii) fixed rate mortgage loans (excluding the Mortgage Loan identified by No. 611282, as recorded in the relevant Mortgage Loan Agreement);
- (iii) mortgage loans deriving from mortgage loan agreements which provide for semi-annually or annually instalments;
- (iv) mortgage loans with reference to which the pre-amortisation period, as at 31 August 2011, has not elapsed;
- (v) mortgage loans in relation to which, as at 30 November 2011 (included), an agreement concerning the suspension of payment of the instalments (fully or limited to the principal component) is in force and effective;
- (vi) mortgage loans which are not secured by a mortgage in favour of the Originator which is (i) a first legal priority mortgage, or (ii) a first economic priority mortgage, meaning mortgages having a priority ranking lower than first legal priority provided that all obligations, secured by mortgage/mortgages with prevailing priority are registered in favour of the Originator as security for the claims that satisfy all other Criteria related to the Originator;

**8) BCC VICENTINO**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");
- (b) Mortgage Loans whose residual amount outstanding is, as at 14 September 2011, higher than or equal to Euro 30,000 (thirty thousand/00) and lower than or equal to Euro 250,000 (two hundred and fifty thousand/00);

- (c) floating rate Mortgage Loans whose spread is higher than or equal to 1.15 % (one point fifteen per cent) and lower than or equal to 1.95% (one point ninety five per cent);

*but excluding:*

- (i) fixed rate mortgage loans;
- (ii) mortgage loans with constant instalments and variable duration;

**9) CRA DI BRENDOLA**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*");
- (b) Mortgage Loans whose residual amount outstanding is, as at 22 September 2011, higher than or equal to Euro 80,000 (eighty thousand/00) and lower than or equal to Euro 500,000 (five hundred thousand/00);
- (c) floating rate Mortgage Loans whose spread is higher than or equal to 1.00 % (one per cent) and lower than 2.50% (two point fifty per cent);

*but excluding:*

- (i) fixed rate mortgage loans;

**10) BCC DI ALBA**

- (a) Floating rate Mortgage Loans indexed to (i) 3 month Euribor calculated on a 360 days basis (monthly fixed), or (ii) 6 month Euribor calculated on a 360 days basis (monthly fixed);
- (b) Mortgage Loans whose residual amount outstanding is, as at 31 October 2011, lower than Euro 950,000 (nine hundred and fifty thousand/00);
- (c) floating rate Mortgage Loans whose spread is higher than or equal to 0.75 % (zero point seventy five per cent);
- (d) Mortgage Loans in relation to which the payment of the Instalment is made by way of stand by instruction to debit an account held with the Originator.

**11) BANCA DI PISTOIA**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");
- (b) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0.70% (zero point seventy per cent) and lower than or equal to 3.00% (three per cent);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which, if a fixed rate is applicable, provide for the option of the relevant Borrower to modify, on dates agreed

in the relevant Mortgage Loan Agreements, the interest rate from a fixed rate to a floating rate;

- (d) Mortgage Loans:
- (i) whose residual amount outstanding is, as at 17 October 2011, higher than or equal to Euro 55,000 (fifty five thousand/00) and lower than or equal to Euro 250,000 (two hundred and fifty thousand/00); or
  - (ii) whose residual amount outstanding is, as at 17 October 2011, lower than Euro 55,000 (fifty five thousand/00), provided that the relevant Mortgage Loan is secured by a mortgage having a priority ranking lower than first legal priority, provided that all mortgage/mortgages with prevailing priority are registered in favour of the Originator as security for the claims that satisfy all other Criteria related to the Originator; or
  - (iii) Mortgage Loans identified by the NAG code No. 38850 and No. 201221, as indicated in the relevant Mortgage Loan Agreement;

**12) BCC DI CAMPIGLIA DEI BERICI**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");
- (b) Mortgage Loans whose residual amount outstanding is, as at 25 September 2011, higher than or equal to Euro 10,000 (ten thousand/00) and lower than or equal to Euro 200,000 (two hundred thousand/00);
- (c) floating rate Mortgage Loans whose spread is higher than or equal to 0.50 % (zero point fifty per cent) and lower than or equal to 3.00% (three per cent);
- (d) Mortgage Loans deriving from Mortgage Loan Agreements which, as at 25 September 2011, have no more than 2 (two) due and unpaid Instalments;

**13) BCC CREDIVENETO**

- (a) Mortgage Loans deriving from Mortgage Loan Agreements which provide for monthly Instalments;
- (b) Mortgage Loans whose residual amount outstanding is, as at 22 September 2011, higher than or equal to Euro 40,000 (forty thousand/00) and lower than or equal to Euro 350,000 (three hundred and fifty thousand/00);
- (c) floating rate Mortgage Loans whose spread is higher than or equal to 1.25 % (one point twenty five per cent) and lower than or equal to 2.50% (two point fifty per cent);

**14) CREDIUMBRIA BCC**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");

- (b) Mortgage Loans whose residual amount outstanding is, as at 14 September 2011, higher than Euro 20,000 (twenty thousand/00) and lower than Euro 317,000 (three hundred and seventeen thousand/00);
- (c) floating rate Mortgage Loans whose spread is higher than or equal to 1.00 % (one per cent);

**15) BCC POMPIANO E FRANCIACORTA**

- (a) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal amount and by an interest component;
- (b) Mortgage Loans whose residual amount outstanding is, as at 26 September 2011, higher than Euro 30,000 (thirty thousand/00) and lower than Euro 700,000 (seven hundred thousand/00);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements in respect of which, as at 26 September 2011, all Instalments have been paid within 15 (fifteen) days following the relevant due date;

*but excluding:*

- (i) mortgage loans granted by a pool of banks/credit institutions, including the Originator.
- (ii) mortgage loans deriving from mortgage loan agreements which provide for the reimbursement through the payment of a final maxi-instalment;
- (iii) mortgage loans the instalments of which have to be paid through the RID system (*sistema RID*);

**16) BANCA ADIGE PO**

- (a) floating rate Mortgage Loans whose spread is higher than 0.70 % (zero point seventy per cent) and lower than 3.00% (three per cent).
- (b) Mortgage Loans whose residual amount outstanding is, as at 5 October 2011, higher than Euro 30,000 (thirty thousand/00) and lower than Euro 230,000 (two hundred and thirty thousand/00);
- (c) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");
- (d) Mortgage Loans secured by a Mortgage on Real Estate Assets whose cadastral category (*categoria catastale*) falls within "Group A1 – A9";

**17) BCC ANCONA**

- (a) Mortgage Loans whose residual amount outstanding is, as at 30 September 2011, higher than or equal to Euro 10,000 (ten thousand/00) and lower than or equal to Euro 180,000 (one hundred and eighty thousand/00);

- (b) Mortgage Loans whose spread, if a floating rate is applicable, is higher than or equal to 0.65% (zero point sixty five per cent);

**18) BCC DI BEDIZZOLE T.V.**

- (a) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*");
- (b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for monthly Instalments;
- (c) Mortgage Loans whose residual amount outstanding is, as at 28 September 2011, higher than or equal to Euro 50,000 (fifty thousand/00) and lower than or equal to Euro 250,000 (two hundred and fifty thousand/00);
- (d) floating rate Mortgage Loans whose spread is higher than or equal to 1.00 % (one per cent) and lower than or equal to 2.35% (two point thirty five per cent);

**19) BCC DI OSTRA**

- (a) Mortgage Loans whose residual amount outstanding is, as at 30 September 2011, higher than or equal to Euro 20,000 (twenty thousand/00) and lower than or equal to Euro 311,000 (three hundred and eleven thousand/00);
- (b) Mortgage Loans whose spread, as at 30 September 2011, if a floating rate is applicable, is higher than or equal to 0.70% (zero point seventy per cent) and lower than or equal to 3.50% (three point fifty per cent), including floating rate Mortgage Loans which provide for the possibility for the Borrower to (i) exercise an option pursuant to which a cap to the relevant interest rate applies; or (ii) to exercise, every two years (including the first two years), an option to modify the interest rate from a floating rate to a fixed rate and *vice versa*;
- (c) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");

*but excluding:*

- (i) fixed rate mortgage loans deriving from mortgage loan agreements which do not provide for (i) the switch of the interest rate from a fixed rate to a floating rate after a specific period of time has elapsed; or (ii) the possibility for the relevant Borrower to exercise, every two years (including the first two years), an option to switch the interest rate from a floating rate to a fixed rate and *vice versa*;

**20) BCC ADDA E CREMASCO**

- (a) Mortgage Loans whose residual amount outstanding is, as at 21 September 2011, higher than Euro 50,000 (fifty thousand/00) and lower than Euro 300,000 (three hundred thousand/00);

- (b) floating rate Mortgage Loans whose spread is higher than 0.50 % (zero point fifty per cent) and lower than 1.81% (one point eighty one per cent), including Mortgage Loans with reference to which the applicable interest rate cannot be lower than 3.01% (three point one per cent) (*tasso pavimento*);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date later than 31 December 2012 and prior to 31 December 2041;

*but excluding:*

- (i) mortgage loans secured by a mortgage on real estate assets with reference to which no evaluation has been carried out upon granting of the loan;
- (ii) mortgage loans secured by a mortgage on real estate assets with reference to which no real estate insurance policy has been issued upon granting of the loan;
- (iii) floating rate mortgage loans which provide for the possibility for the Borrower to exercise an option pursuant to which a cap to the relevant interest rate applies;
- (iv) mortgage loans 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*) No. 615 ("*altre famiglie produttrici*");
- (v) mortgage loans secured by mortgage on real estate assets which fall in one of the following cadastral categories (*categorie catastali*): "Group A10", "Group C1", "Group C2" or "Group C7";

## **21) BANCA SAN BIAGIO DEL VENETO ORIENTALE**

- (a) Mortgage Loans whose residual amount outstanding is, as at 5 August 2011, higher than Euro 40,000 (forty thousand/00) and lower than Euro 500,000 (five hundred thousand/00);
- (b) floating rate Mortgage Loans whose spread is higher than or equal to 0.80 % (zero point eighty per cent);

## **22) BCC DI GATTEO**

- (a) Mortgage Loans whose residual amount outstanding is, as at 20 September 2011, higher than or equal to Euro 40,000 (forty thousand/00) and lower than or equal to Euro 250,000 (two hundred and fifty thousand/00);
- (b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not prior to 1 April 2012;
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for a "French" reimbursement plan, i.e. a progressive reimbursement method according to which each Instalment consists of the same amount and is composed by an increasing principal amount and by an interest component;
- (d) Mortgage Loans in relation to which the payment of the Instalment is made by way of stand by instruction to debit an account held with the Originator.

*but excluding:*



- (i) mortgage loans granted by a pool of banks/credit institutions, including the Originator;
- (ii) mortgage loans deriving from mortgage loan agreements which provide for the reimbursement through the payment of a final maxi-instalment;
- (iii) mortgage loans the instalments of which have to be paid through the RID system (*sistema RID*);
- (iv) mortgage loans with constant instalments and variable duration;

**23) ROMAGNA EST**

- (a) Mortgage Loans disbursed, subrogated or fractioned on a date not prior to 1 June 2008 and not later than 3 November 2011;
- (b) Mortgage Loans secured by a Mortgage on at least one Real Estate Asset whose cadastral category (*categoria catastale*) falls within “Group A1 – A9”;
- (c) floating rate Mortgage Loans;
- (d) Mortgage Loans secured by a Mortgage in favour of the Originator which is a first legal priority mortgage;

*but excluding:*

- (i) mortgage loans with reference to which, as at 3 November 2011, a renegotiation agreement pursuant to law decree No. 185/2008 as converted into Law 2/2009 is in force and effective;

**24) BCC DI CAMERANO**

- (a) Mortgage Loans secured by a Mortgage on Real Estate Assets whose cadastral category (*categoria catastale*) falls within “Group A1 – A9”;
- (b) Mortgage Loans whose residual amount outstanding is, as at 25 October 2011, higher than Euro 10,000 (ten thousand/00) and lower than Euro 285,850 (two hundred and eighty five thousand eight hundred fifty/00);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which, as at 31 October 2011, have no due and unpaid Instalments;
- (d) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not prior to 1 September 2012 and not later than 31 December 2014;

**25) BCC DI MONASTIER**

- (a) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0.70% (zero point seventy per cent);
- (b) Mortgage Loans whose interest rate, if a fixed rate is applicable, is higher than 5.00% (five per cent);
- (c) Mortgage Loans whose residual amount outstanding is, as at 30 November 2011, lower than Euro 600,000 (six hundred thousand/00);

**26) ROVIGOBANCA**

- (a) Mortgage Loans whose spread, if a floating rate is applicable, is higher than 0.70% (zero point seventy per cent) and lower than 2.50% (two point fifty per cent);
- (b) Mortgage Loans whose interest rate, if a fixed rate is applicable, is higher than 5.00% (five per cent) and lower than 6.50% (six point fifty per cent);
- (c) Mortgage Loans whose residual amount outstanding is, as at 5 October 2011, higher than Euro 40,000 (forty thousand/00) and lower than Euro 230,000 (two hundred and thirty thousand/00);

**27) BANCA DI SAN GIORGIO QUINTO VALLE AGNO**

- (a) Mortgage Loans whose residual amount outstanding is, as at 31 October 2011, higher than Euro 10,000 (ten thousand/00) and lower than Euro 400,000 (four hundred thousand/00);
- (b) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not prior to 31 December 2014;

**28) BCC VALDINIEVOLE**

- (a) Mortgage Loans whose residual amount outstanding is, as at 7 October 2011, higher than Euro 20,000 (twenty thousand/00) and lower than Euro 500,000 (five hundred thousand/00);
- (b) floating rate Mortgage Loans whose spread, as at 7 October 2011, is higher than or equal to 0.80 % (zero point eighty per cent);
- (c) Mortgage Loans granted for the purchase of Real Estate Assets whose cadastral category (*categoria catastale*) falls within "Group A1 – A9";
- (d) Mortgage Loans 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*) No. 600 ("*Famiglie Consumatrici*"), No. 614 ("*Artigiani*") or No. 615 ("*altre famiglie produttrici*");

**29) BCC DI CARATE BRIANZA**

- (a) Mortgage Loans granted for the purchase of Real Estate Assets whose cadastral category (*categoria catastale*) falls within "Group A1 – A9";
- (b) Mortgage Loans whose residual amount outstanding is, as at 30 November 2011, higher than Euro 10,000 (ten thousand/00);
- (c) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not prior to 31 March 2012;

**30) BCC MALATESTIANA**

- (a) Mortgage Loans whose residual amount outstanding is, as at 30 November 2011, higher than Euro 60,000 (sixty thousand/00) and lower than Euro 400,000 (four hundred thousand/00);
- (b) floating rate Mortgage Loans whose spread is higher than or equal to 1.00 % (one per cent) and lower than 3.00% (three per cent);

- (c) floating rate Mortgage Loans indexed to 3 month Euribor, 6 month Euribor or 12 month Euribor;
- (d) Mortgage Loans deriving from Mortgage Loan Agreements disbursed on a date not later than 1 January 2011;
- (e) Mortgage Loans deriving from Mortgage Loan Agreements which provide for the full reimbursement on a date not later than 31 December 2040;

*but excluding:*

- (i) fixed rate mortgage loans;
- (ii) mortgage loans secured by (i) a mortgage on lands (ii) a mortgage on real estate assets which are not completely built and which have not been registered with the land registry;
- (iii) mortgage loans providing for a cap to the applicable interest rate;

## PORTFOLIO SUMMARY

Statistic	Value
No. of Mortgage Loans	15936
Current Balance of Portfolios (€)	1,582,438,967.86
Original Balance of Portfolios (€)	1,954,097,744.93
Average Current Loan Amounts (€)	99,299.63
Average Original Loan Amounts (€)	122,621.60
Maximum Current Loan Amounts (€)	916,352.78
Maximum Original Loan Amounts (€)	1,000,000.00
Weighted Average Seasoning (yrs)	3.37
Weighted Average Remaining Maturity (yrs)	17.28
Weighted Average Maturity (yrs)	20.66
Weighted Average Current Loan to Value	53.41%
Weighted Average Original Loan to Value	62.57%
WA spread (current floating)	1.34%
WA interest rate (current fixed)	5.29%
Top 1/10/20 Borrowers (%)	0.06/0.41/0.74%

## Break-down by Seller

Originator	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Adda	280	1.76%	35,839,671.44	1.83%	33050222.62	2.09%
Adige Po'	222	1.39%	24,306,278.36	1.24%	18774301.58	1.19%
Alba	745	4.67%	98,809,583.26	5.06%	92576557.37	5.85%
Ancona	169	1.06%	18,729,165.37	0.96%	15582472.62	0.98%
Anghiari	271	1.70%	30,566,803.97	1.56%	25907243.18	1.64%
Bedizole	165	1.04%	22,611,192.77	1.16%	18507237.84	1.17%
Brendola	583	3.66%	87,475,051.24	4.48%	70551732.37	4.46%
Camerano	184	1.15%	20,352,722.46	1.04%	16689693.61	1.05%
Campiglia	153	0.96%	16,980,193.79	0.87%	14010575.1	0.89%
Carate	1172	7.35%	142,249,774.55	7.28%	98240922.18	6.21%
Centromarca	439	2.75%	56,583,001.97	2.90%	47549128.11	3.00%
Credumbria	446	2.80%	43,113,514.95	2.21%	33450032.73	2.11%
Crediveneto	312	1.96%	39,596,332.32	2.03%	34275679.58	2.17%
Fofili	365	2.29%	46,891,079.81	2.40%	38440427.09	2.43%
Gatteo	214	1.34%	29,888,943.37	1.53%	23671364.09	1.50%
Maltestiana	700	4.39%	100,765,560.62	5.16%	83085846.76	5.25%
Marca	1447	9.08%	178,515,271.55	9.14%	143115057.1	9.04%
Monastier	1592	9.99%	190,296,638.71	9.74%	158276456.4	10.00%
Ostra	94	0.53%	11,233,844.00	0.57%	9850562.95	0.62%
Pistoia	261	1.64%	36,016,406.90	1.84%	30084166.27	1.90%
Pompiano	1122	7.04%	137,373,184.20	7.03%	104603491.7	6.61%
Romagna est	408	2.56%	52,246,087.61	2.67%	46160267.02	2.92%
RomagnaCoop	388	2.43%	48,210,841.76	2.47%	36686027.69	2.32%
Rovigo	595	3.73%	60,185,452.47	3.08%	50095763.81	3.17%
San Biagio	608	3.82%	80,204,279.52	4.10%	65113193.09	4.11%
San Giorgio	742	4.66%	90,348,100.93	4.62%	75344673.07	4.76%
Trevigiano	1331	8.35%	144,042,013.32	7.37%	112510896.3	7.11%
Valdarno	212	1.33%	24,960,364.37	1.28%	21112968.28	1.33%
Valdinievole	405	2.54%	47,755,907.66	2.44%	36574731.47	2.25%
Vicentino	321	2.01%	37,838,475.68	1.94%	29531376.89	1.87%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by interest rate type

Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
fixed	1255	7.88%	122,003,752.96	6.24%	99,164,321.74	6.27%
floating	13000	81.58%	1,629,705,912.47	83.40%	1,302,804,155.44	82.33%
floating with cap	976	6.12%	115,656,337.07	5.92%	105,848,484.59	6.69%
floating with decreasing spread	25	0.16%	3,014,857.42	0.15%	2,655,801.89	0.17%
option to swith or floating or irs	538	3.38%	65,270,987.70	3.34%	56,180,500.46	3.55%
Mixed with option to swith from Fixed to Floating	76	0.48%	10,417,557.52	0.53%	9,347,747.53	0.59%
Mixed with option to swaith from floating to IRS + spread	9	0.06%	1,709,000.00	0.09%	1,515,159.27	0.10%
option to swith	46	0.29%	4,818,579.79	0.25%	3,562,699.79	0.23%
Fixed and then floating for life	4	0.03%	460,000.00	0.02%	407,022.41	0.03%
Modular loan can swith from fixed to lrs + spred	1	0.01%	135,000.00	0.01%	126,939.35	0.01%
floating with flexible spread	6	0.04%	905,760.00	0.05%	826,135.39	0.05%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by Index

Index of loan	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
FISSO	1459	9.16%	146,532,625.85	7.50%	120,134,437.48	7.59%
EUR 1M	83	0.52%	8,926,727.59	0.46%	6,536,725.03	0.41%
EUR 3M	5584	35.04%	697,071,228.67	35.67%	583,390,930.88	36.87%
EUR 6M	8697	54.57%	1,087,520,246.22	55.65%	862,291,868.12	54.49%
EUR 12M	18	0.11%	1,609,028.49	0.08%	618,261.39	0.04%
BCE	60	0.38%	7,874,152.67	0.40%	6,790,430.20	0.43%
EUREM50% + renBTP10Y50%	32	0.20%	4,413,875.09	0.23%	2,662,716.26	0.17%
EUR3M50% + renBTP10Y50%	3	0.02%	149,860.35	0.01%	13,598.50	0.00%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by spread for floating rate contracts

Current Margin	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.005	33	0.23%	3,825,101.64	0.21%	3,112,592.33	0.21%
0.005-0.01	2252	15.54%	283,190,607.90	15.65%	219,707,137.49	15.01%
0.01-0.015	7112	49.07%	906,493,000.49	50.10%	724,177,957.68	49.46%
0.015-0.02	3797	28.20%	466,463,936.70	25.78%	388,733,246.28	28.55%
0.02-0.025	977	6.74%	113,116,243.90	6.25%	96,475,936.14	6.59%
0.025-0.03	276	1.90%	31,689,253.62	1.75%	27,718,515.41	1.89%
0.03-0.035	41	0.28%	4,095,974.83	0.23%	3,607,205.42	0.25%
0.035-0.04	3	0.02%	310,000.00	0.02%	211,906.04	0.01%
0.04-0.045	2	0.01%	300,000.00	0.02%	289,909.04	0.02%
<b>Grand Total</b>	<b>14493</b>	<b>100.00%</b>	<b>1,809,484,119.08</b>	<b>100.00%</b>	<b>1,464,034,405.83</b>	<b>100.00%</b>

## Break-down by current interest rate

Current Interest Rate Type	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
Floating	14493	90.95%	1,809,484,119.08	92.60%	1,464,034,405.83	92.52%
Fixed	1443	9.05%	144,613,625.85	7.40%	118,404,562.03	7.48%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by frequency of instalments

Frequency of Instalment	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
monthly	15337	96.24%	1,880,053,585.67	96.21%	1,533,672,940.96	96.92%
semi-annually	332	2.08%	44,325,349.27	2.27%	29,365,021.31	1.86%
quarterly	262	1.64%	28,939,809.99	1.48%	18,763,081.12	1.19%
annual	3	0.02%	608,000.00	0.03%	479,000.76	0.03%
bimstral	2	0.01%	171,000.00	0.01%	158,923.71	0.01%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by origination date

Origination Date	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
1996	1	0.01%	46,568.97	0.00%	6,099.71	0.00%
1997	12	0.01%	51,645.69	0.00%	1,754.32	0.00%
1998	12	0.08%	1,254,990.31	0.06%	203,965.04	0.01%
1999	50	0.31%	4,518,997.93	0.23%	1,213,583.46	0.08%
2000	89	0.56%	8,807,655.96	0.45%	3,179,425.83	0.20%
2001	178	1.12%	17,999,528.64	0.92%	7,691,926.47	0.49%
2002	379	2.38%	40,820,699.93	2.09%	19,982,331.52	1.26%
2003	508	3.19%	58,652,680.38	3.00%	31,528,172.46	1.99%
2004	796	4.99%	94,202,456.29	4.82%	55,879,804.15	3.53%
2005	1247	7.83%	146,450,675.90	7.49%	98,147,727.10	6.20%
2006	1656	10.39%	203,498,960.84	10.41%	149,361,274.68	9.44%
2007	1493	9.37%	183,593,201.44	9.40%	143,691,362.34	9.08%
2008	1538	9.65%	191,589,694.16	9.80%	159,854,304.35	10.10%
2009	2563	16.21%	324,087,974.29	16.59%	280,252,729.26	17.71%
2010	3484	21.86%	448,058,372.89	22.93%	410,740,880.47	25.96%
2011	1921	12.05%	230,463,641.31	11.79%	220,703,596.70	13.95%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by remaining

Remaining	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-5	815	5.11%	76,238,323.47	3.90%	29,367,054.10	1.86%
5-10	3180	19.95%	319,047,334.58	16.33%	205,770,326.67	13.00%
10-15	4262	26.74%	486,955,464.04	24.92%	383,506,427.42	24.24%
15-20	3948	24.77%	525,013,552.56	26.87%	458,650,109.62	28.98%
20-25	2370	14.87%	338,305,951.17	17.31%	310,323,412.32	19.61%
25-30	1361	8.54%	208,537,110.11	10.67%	194,821,637.73	12.31%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by seasoning

Seasoning	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-2	4919	30.87%	614,616,640.67	31.45%	574,139,258.19	36.28%
2-4	4424	27.76%	558,480,965.26	28.58%	480,219,363.34	30.35%
4-6	3108	19.50%	382,704,700.87	19.58%	292,533,978.51	18.49%
6-8	2161	13.56%	253,921,375.57	12.99%	165,046,502.35	10.43%
8-10	948	5.95%	107,064,915.36	5.48%	96,088,647.90	6.08%
10-12	300	1.88%	30,566,714.43	1.56%	12,753,561.50	0.81%
12-14	73	0.46%	6,535,762.16	0.33%	1,608,859.27	0.10%
14-16	3	0.02%	206,670.61	0.01%	48,796.80	0.00%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by original loan amount

Original Loan Amount	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-50000	605	3.80%	22,399,789.91	1.15%	17,058,163.60	1.08%
50000-100000	5076	31.85%	371,569,362.83	19.01%	283,950,134.10	17.94%
100000-150000	5982	36.91%	690,703,731.47	35.36%	562,789,005.15	35.59%
150000-200000	2685	16.85%	436,894,146.48	22.36%	367,787,151.60	23.24%
200000-250000	975	6.12%	206,322,723.15	10.56%	172,474,083.10	10.90%
250000-300000	375	2.35%	97,231,651.72	4.98%	80,052,836.01	5.06%
300000-350000	164	1.03%	50,388,514.48	2.58%	40,772,669.28	2.58%
350000-400000	64	0.40%	23,061,752.42	1.18%	17,845,286.29	1.13%
400000-450000	42	0.26%	17,001,680.26	0.87%	13,130,577.45	0.83%
450000-500000	32	0.20%	15,331,301.38	0.78%	10,759,894.33	0.68%
>500000	36	0.23%	23,122,990.83	1.18%	15,839,196.95	1.00%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by current loan balance

Current Loan Balance	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-50000	2874	18.03%	189,097,031.59	9.68%	100,805,915.55	6.37%
50000-100000	6439	40.41%	629,984,451.87	32.24%	494,579,089.41	30.62%
100000-150000	4276	26.83%	603,513,518.26	30.88%	524,199,507.04	33.13%
150000-200000	1544	9.69%	296,158,653.73	15.16%	264,231,243.07	16.70%
200000-250000	511	3.21%	127,969,485.37	6.55%	113,490,453.05	7.17%
250000-300000	163	1.02%	49,716,833.85	2.54%	44,494,028.01	2.81%
300000-350000	58	0.36%	21,578,575.31	1.10%	18,782,836.08	1.19%
350000-400000	35	0.22%	15,349,990.83	0.79%	13,179,024.49	0.83%
400000-450000	12	0.08%	5,926,714.74	0.30%	5,108,356.65	0.32%
450000-500000	7	0.04%	3,666,489.38	0.19%	3,334,470.05	0.21%
>500000	17	0.11%	11,136,000.00	0.57%	10,234,044.46	0.65%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by original loan to value

Original Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.1	99	0.62%	4,424,655.13	0.23%	3,578,978.51	0.23%
0.1-0.2	590	3.70%	41,115,515.10	2.10%	32,206,359.72	2.04%
0.2-0.3	1167	7.32%	97,009,274.79	4.96%	76,329,498.22	4.82%
0.3-0.4	1613	10.12%	158,522,310.12	8.11%	124,394,578.50	7.86%
0.4-0.5	1871	11.74%	208,752,302.09	10.68%	166,173,483.58	10.50%
0.5-0.6	2110	13.24%	257,564,409.63	13.18%	206,770,984.76	13.07%
0.6-0.7	2503	15.71%	335,738,018.65	17.18%	271,628,609.24	17.17%
0.7-0.8	4093	25.68%	575,153,410.91	29.43%	475,046,331.65	30.02%
0.8-0.9	1367	8.58%	196,096,048.81	10.04%	162,340,814.23	10.26%
0.9-1	501	3.14%	76,470,254.70	3.91%	61,752,666.30	3.90%
>1	22	0.14%	3,251,545.00	0.17%	2,214,683.15	0.14%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by current loan to value

Current Loan to value	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
0-0.1	421	2.64%	31,159,647.45	1.59%	12,971,530.51	0.82%
0.1-0.2	1484	9.31%	128,871,410.67	6.59%	73,804,518.33	4.66%
0.2-0.3	2052	12.88%	204,285,442.86	10.45%	139,430,162.45	8.81%
0.3-0.4	2247	14.10%	255,455,880.14	13.07%	190,137,554.21	12.02%
0.4-0.5	2260	14.18%	278,626,977.35	14.24%	224,150,211.82	14.16%
0.5-0.6	2322	14.57%	309,933,365.81	15.86%	261,890,971.95	16.55%
0.6-0.7	2457	15.42%	345,058,048.69	17.66%	308,807,421.51	19.58%
0.7-0.8	2165	13.59%	319,085,397.30	16.33%	288,245,304.22	18.85%
0.8-0.9	461	2.89%	70,347,028.24	3.60%	65,276,909.51	4.13%
0.9-1	66	0.41%	10,064,548.62	0.52%	9,517,681.04	0.60%
1.1-1.2	1	0.01%	210,000.00	0.01%	208,702.31	0.01%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by SAE code

SAE Code	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
600	14628	91.79%	1,780,656,030.11	91.12%	1,444,006,592.92	91.25%
615	770	4.83%	107,116,058.69	5.48%	85,803,549.64	5.42%
614	535	3.36%	65,845,656.13	3.37%	52,304,366.84	3.31%
773	3	0.02%	480,000.00	0.02%	322,458.46	0.02%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## Break-down by proprietary region

Property Region	Mortgage Loans (no.)	%	Original Amount	%	Outstanding Amount	%
VENETO	7810	49.01%	940,813,721.97	48.15%	765,498,710.18	48.37%
LOMBARDIA	2781	17.33%	341,129,066.95	17.48%	257,150,267.05	16.25%
EMILIA ROMAGNA	2105	13.21%	280,889,076.62	14.37%	230,398,379.83	14.56%
TOSCANA	1071	6.72%	131,206,178.93	6.71%	105,844,687.47	6.69%
PIEMONTE	640	4.02%	81,446,689.61	4.17%	76,152,570.07	4.81%
FRIULI VENEZIA GIULIA	448	2.81%	54,444,694.21	2.79%	44,256,204.59	2.80%
MARCHE	445	2.79%	51,372,852.97	2.63%	43,079,652.17	2.72%
UMBRIA	510	3.20%	50,387,818.92	2.58%	39,725,699.09	2.51%
LIGURIA	107	0.67%	17,734,644.75	0.91%	16,510,007.69	1.04%
LAZIO	17	0.11%	2,015,000.00	0.10%	1,674,020.55	0.11%
SARDEGNA	11	0.07%	1,073,000.00	0.05%	813,186.48	0.05%
TRENTINO ALTO ADIGE	3	0.02%	553,000.00	0.03%	483,616.52	0.03%
VALLE D'AOSTA	3	0.02%	380,000.00	0.02%	351,641.30	0.02%
ABRUZZO	3	0.02%	425,000.00	0.02%	288,458.62	0.02%
SICILIA	2	0.01%	227,000.00	0.01%	211,864.25	0.01%
<b>Grand Total</b>	<b>15936</b>	<b>100.00%</b>	<b>1,954,097,744.93</b>	<b>100.00%</b>	<b>1,582,438,967.86</b>	<b>100.00%</b>

## THE ISSUER

### 1. 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 10 June 2009 under the name of Hampstead Finance S.r.l.. On 14 November 2011, a quotaholders' meeting passed a resolution to change the name of the Issuer from Hampstead Finance S.r.l. in Credico Finance 10 S.r.l. (the "**Issuer**"). The Issuer is 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. 35016.5 and is registered with the Companies' Register of Rome under number 06646740966. 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.

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

The Issuer has no employees. The authorised and issued capital of the Issuer is Euro 10,000 fully paid up as of the date of this Prospectus. The quotaholder of the Issuer Stichting Erice which holds a quota equal to Euro 10,000 (the "**Quotaholder**"). The duration of the Issuer is until 31 December 2050. The Quotaholder has limited liability. To the best of its knowledge, the Issuer is not aware of directly or indirectly ownership or control apart from its Quotaholder.

### 2. PRINCIPAL ACTIVITIES

The scope of the Issuer, as set out in article 2 of its by-laws (*Statuto*), is exclusively to purchase monetary claims in the context of securitisation transactions and to fund such purchase by issuing asset backed securities or by other forms of limited recourse financing, all pursuant to article 3 of Law 130. The issuance of the Notes was approved by means of a Quotaholder's meeting on 13 April 2012. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the 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.

### 3. DIRECTORS, AUDITORS AND REGISTERED OFFICE

The sole director of the Issuer is Antonio Bertani. The Issuer's registered office is at Largo Chigi, 5 – 00187 Roma, Italy (telephone number: +39 06 4740400; fax number: +39 06 42013819).

The domicile of Mr. Antonio Bertani, in his capacity as sole director of the Issuer, is at Salita di San Nicola Tolentino 1/B - 00187 Roma (Italy) telephone No. +39 06 4740400.

#### **4. Curriculum Vitae ANTONIO BERTANI**

Born in L'Aquila on 19/09/1944 - Degree in Economic and Commercial Science at the "L. Bocconi" University of Milan with marks of 110 cum laude;

Certified Public Accountant (Register of Rome, n. 2343 since 1973); Auditor (prog. number 5262 by Legislative Decree 12/04/1995);

Contract Professor in Accounting at the University of Rome "Roma Tre";

Technical Consultant in banking and commerce for the Civil and Criminal Court of Rome – Trustee in bankruptcy – Advisor for Local Bodies and Banks.

Audit President of "Farst S.p.A", of Irl S.r.l. and of "Italia Turismo S.p.A.";

Effective Auditor of "Banca di Roma S.p.A" of "Cia S.r.l", of "Inso S.p.A." and of "Tredil S.p.A.";

Member of the Supervisory Board of "Fidterziario S.p.A." and related companies;

Managing Director of "Cassa di Risparmio di Volterra S.p.A.";

Commissioner of "Giacomelli Sport S.p.A." and of the other companies of the group, both Italian and foreign;

Chairman of the Board of Directors of Stube S.p.A., trust and audit company

President of the Regional Group of Lazio and National President of the Audit Committee of the "UCID (*Unione Cristiana Imprenditori e Dirigenti*)"; member of the "BANCA DI CREDITO COOPERATIVO DI ROMA" and of "NUOVO CIRCOLO DEGLI SCACCHI" in Rome, of the association *Roma Europea* and of *San Giovanni di Firenze*; member of the *President's Advisory Council of the American University of Rome*; member of the *Accademia Italiana della Cucina*; honorary member of the *Società Toscana di Caccia alla Volpe*; Cavalier of the *Ordine Internazionale di Sant Hubertus*.

#### **Offices held:**

Chairman of the Board of Directors of "*La Capita - Società Agricola Maremmana a.r.l.*";

Chairman of the Board of Statutory Auditors of "*Associazione Roma Europea*";

Statutory Auditor of "*UniCredit Banca di Roma S.p.A.*", "*CIA S.r.l.*", "*Inso S.p.A.*" and "*Tredil S.p.A.*";

Member of the Surveillance Board of "*Fidterziario S.p.A.*" and related companies;

Sole Director of "*Bcc Securis S.r.l.*", "*Credico Finance S.r.l.*", "*Credico Finance 2 S.r.l.*", "*Credico Finance 3 S.r.l.*", "*Credico Finance 4 S.r.l.*", "*Credico Finance 5 S.r.l.*", "*Credico Finance 6 S.r.l.*", "*Credico Finance 7 S.r.l.*", "*Credico Finance 8 S.r.l.*", "*Credico Finance 9 S.r.l.*" e "*Credico Funding 3 S.r.l.*";

Independent Board of Directors Member of "*BCC Private Equity S. G.R. S.p.a.*" and *Agricart 4 Finance S.r.l.*.



## **5. 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 Explanatory Notes to the financial statements of the Issuer at the date the transaction is completed, as follows:

## **6. OFF-BALANCE SHEET ASSETS AND LIABILITIES**

Class A Asset Backed Floating Rate Notes due October 2050, Euro 1,333,200,000.

Class B1 Asset Backed Floating Rate Notes due October 2050, Euro 5,769,000.

Class B2 Asset Backed Floating Rate Notes due October 2050, Euro 6,041,000.

Class B3 Asset Backed Floating Rate Notes due October 2050, Euro 22,516,000.

Class B4 Asset Backed Floating Rate Notes due October 2050, Euro 17,711,000.

Class B5 Asset Backed Floating Rate Notes due October 2050, Euro 7,450,000.

Class B6 Asset Backed Floating Rate Notes due October 2050, Euro 4,108,000.

Class B7 Asset Backed Floating Rate Notes due October 2050, Euro 3,313,000.

Class B8 Asset Backed Floating Rate Notes due October 2050, Euro 4,632,000.

Class B9 Asset Backed Floating Rate Notes due October 2050, Euro 11,152,000.

Class B10 Asset Backed Floating Rate Notes due October 2050, Euro 14,577,000.

Class B11 Asset Backed Floating Rate Notes due October 2050, Euro 4,785,000.

Class B12 Asset Backed Floating Rate Notes due October 2050, Euro 2,211,000.

Class B13 Asset Backed Floating Rate Notes due October 2050, Euro 5,376,000.

Class B14 Asset Backed Floating Rate Notes due October 2050, Euro 5,251,000.

Class B15 Asset Backed Floating Rate Notes due October 2050, Euro 16,504,000.

Class B16 Asset Backed Floating Rate Notes due October 2050, Euro 2,975,000.

Class B17 Asset Backed Floating Rate Notes due October 2050, Euro 2,483,000.

Class B18 Asset Backed Floating Rate Notes due October 2050, Euro 2,908,000.

Class B19 Asset Backed Floating Rate Notes due October 2050, Euro 1,586,000.

Class B20 Asset Backed Floating Rate Notes due October 2050, Euro 5,251,000.

Class B21 Asset Backed Floating Rate Notes due October 2050, Euro 10,214,000.

Class B22 Asset Backed Floating Rate Notes due October 2050, Euro 3,772,000.

Class B23 Asset Backed Floating Rate Notes due October 2050, Euro 7,261,000.

Class B24 Asset Backed Floating Rate Notes due October 2050, Euro 2,590,000.

Class B25 Asset Backed Floating Rate Notes due October 2050, Euro 24,977,000.

Class B26 Asset Backed Floating Rate Notes due October 2050, Euro 7,896,000.

Class B27 Asset Backed Floating Rate Notes due October 2050, Euro 11,845,000.

Class B28 Asset Backed Floating Rate Notes due October 2050, Euro 5,575,000.

Class B29 Asset Backed Floating Rate Notes due October 2050, Euro 15,441,000.

Class B30 Asset Backed Floating Rate Notes due October 2050, Euro 13,086,000.

**TOTAL OFF-BALANCE SHEET INDEBTEDNESS Euro 1,582,456,000**

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.

## **7. UPFRONT COSTS**

As for the other fees and costs related to the Transaction, the fees to be paid to the Stichting Corporate Services Provider pursuant to article 5.1 of the Stichting Corporate Services Agreement will be paid through and will be limited recourse to the funds available to the Issuer in the context of the Transaction, the Issuer Available Funds or the Single Portfolio Available Funds, as the case may be.

## **8. FINANCIAL STATEMENTS AND REPORT OF THE AUDITORS**

The statutory financial statements as of 2010 and as of 2011 have been prepared on behalf of Credico Finance 10 S.r.l. and are set out in this Prospectus.

The Issuer's auditor is Reconta Ernst & Young S.p.A., registered in the Register of Accountancy Auditors (*Registro dei Revisori Contabili*), whose offices are at Via Po, 32, 00198 Rome, Italy. The Issuer's accounting reference date is 31 December in each year.

The next statutory financial statements will be prepared as at 31 December 2012.

Please see below the financial statements and the auditor's report.

### **8.1 FINANCIAL STATEMENTS FOR CREDICO FINANCE 10 S.r.l.**

# **HAMPSTEAD FINANCE S.R.L.**

Registered office: Via Pontaccio 10, Milan

Tax ID and VAT no. 06646740966

Share capital: €10,000, fully paid-in

A single-shareholder corporation

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## **Condensed financial statements at 31 December 2010**

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31 Dec. 2010

31 Dec. 2009

**BALANCE SHEET - ASSETS**

B)	NON-CURRENT ASSETS		
I	Intangible assets	-	-
II	Property and equipment	-	-
III	Non-current financial assets	-	-
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>-</b>	<b>-</b>
C)	CURRENT ASSETS		
I	Inventories	-	-
II	Loans and receivables		
5	Other loans and receivables		
a	due by the end of the next financial year	10,000	10,000
III	Current financial assets	-	-
IV	Cash and cash equivalents		
	<b>TOTAL CURRENT ASSETS</b>	<b>10,000</b>	<b>10,000</b>
	<b>TOTAL ASSETS</b>	<b>10,000</b>	<b>10,000</b>

**BALANCE SHEET – SHAREHOLDERS’ EQUITY AND LIABILITIES**

A)	SHAREHOLDERS’ EQUITY		
I	Share capital	10,000	10,000
IV	Legal reserve	-	-
VII	Other reserves	-	-
VIII	Retained earnings/losses carried forward	-	-
IX	Profit (loss) for the period	-	-
	<b>TOTAL SHAREHOLDERS’ EQUITY</b>	<b>10,000</b>	<b>10,000</b>
B)	PROVISIONS FOR RISKS AND CHARGES	-	-
C)	POST-EMPLOYMENT BENEFITS	-	-
D)	PAYABLES	-	-
	<b>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</b>	<b>10,000</b>	<b>10,000</b>

## INCOME STATEMENT

A)	VALUE OF PRODUCTION	<u>31 Dec. 2010</u>	<u>31 Dec. 2009</u>
1	Revenues from sales and services	-	-
5	Other revenues and income	-	-
	<b>TOTAL VALUE OF PRODUCTION</b>	-	-
B)	<b>PRODUCTION COSTS</b>		
6	Raw materials, consumables and goods	-	-
7	Services	-	-
8	Leases and rentals	-	-
9	Personnel expenses:	-	-
	a salaries and wages		
	b social security contributions		
	c employee termination benefits		
	e other		
10	Depreciation, amortization and impairment:		
	a amortization		
	b depreciation		
14	Other operating expenses	-	-
	<b>TOTAL PRODUCTION COSTS</b>	-	-
	<b>DIFFERENCE BETWEEN VALUE OF PRODUCTION AND PRODUCTION COSTS (A) - (B)</b>	-	-
C)	<b>FINANCIAL INCOME (EXPENSE)</b>		
16	Other financial income:		
17	Interest and other financial expense:		
17/bis	Foreign exchange gains/losses	-	-
	<b>TOTAL FINANCIAL INCOME (EXPENSE)</b>	-	-
E)	<b>EXTRAORDINARY INCOME AND EXPENSE</b>		
20	Income	-	-
21	Expense	-	-
	<b>TOTAL EXTRAORDINARY INCOME AND EXPENSE</b>	-	-
	<b>PROFIT (LOSS) BEFORE TAX</b>	-	-
22	Income tax expense for the year		
	<b>NET PROFIT (LOSS) FOR THE YEAR</b>	-	-

## EXPLANATORY NOTES

### IN CONDENSED FORM PURSUANT TO ART. 2435 BIS, PAR. 1 OF THE ITALIAN CIVIL CODE

#### *Introduction*

Dear Shareholders,

The financial statements for the year ended 31 December 2010, of which these explanatory notes constitute an integral part pursuant to Article 2423, paragraph 1 of the Italian Civil Code, correspond to the accounting records and were prepared in accordance with Articles 2423, 2423-bis, 2423-ter, 2424, 2424-bis, 2425, 2425-bis and 2426 of the Civil Code.

These financial statements are presented in condensed form as permitted pursuant to Article 2435-bis, paragraph 1, of the Civil Code and therefore are not accompanied by a report on operations.

The company was formed on 10 June 2009 pursuant to Law 130 of 30 April 1999 governing securitization transactions in Italy. However, as yet, the company has not sought registration on the list of financial companies under Art. 106(1) of Legislative Decree 385 of 1 September 1993 (Consolidated Banking Act) as it has not, as of the date of these financial statements, engaged in any securitization transaction.

As to the sole asset item presented on the balance sheet, the receivable is reported at its estimated realizable value.

#### **ASSETS**

##### **Other loans and receivables due by the end of the next financial year**

The amount refers to a receivable in respect of Wilmington Trust SP Services (London) Limited, the company providing corporate services, which deposited the full amount of the share capital into a time deposit account (account no. 100705940 held at Unicredit Banca, Milano Freguglia branch) until the company opens an ordinary current account in its own name.

## LIABILITIES

### Shareholders' equity

Changes in shareholders' equity are shown in the following table:

	Balance at 1 Jan. 2010	Allocation of previous year's profit			Changes for the year					Profit for 2010	Shareholders' equity as at 31 Dec. 2010
		Reserves	Dividends and other transactions	Change in reserves	Equity transactions						
					Issue of new shares	Purchase of own shares	Extraordinary dividends	Changes in equity instrument	Other changes		
Share capital Reserves A) earnings b) other Net profit (loss) for the year	10,000										10,000
<b>Shareholders' equity</b>	<b>10,000</b>										<b>10,000</b>

Share capital at 31 December 2010 amounted to €10,000, fully subscribed and paid in by the sole shareholder, Stichting Erice.

## OTHER INFORMATION

Pursuant to and for the purposes of Art. 2427 of the Civil Code, we report the following information:

- 1) Point 5 – the company does not hold equity investments, either directly or through an intermediary or fiduciary company, in subsidiaries and associated companies.
- 2) Point 6 – the balance sheet does not report any receivables or payables falling due beyond five years and no corporate assets have been used as collateral for any amounts due.
- 3) Point 6-bis – No foreign currency transactions were carried out.
- 4) Point 8 – the company did not charge any financial expense against the amounts reported as assets in the balance sheet.
- 5) Point 11 – the company does not hold any equity investments and therefore it did not receive, nor did it report (under item 15 of Art. 2425 of the Civil Code), any income from investments other than dividends.
- 6) Point 18 – the company has not issued nor could it have issued, given its nature and applicable legislation, participation shares, convertible bonds and securities.

- 7) Point 19 - the company did not sign any contracts in respect of financing a specific deal.
- 8) Point 22 – the company carried out no finance lease transactions.
- 9) Point 22-bis and -ter - the company has not entered into any transactions with related parties nor has it signed any agreements that could affect its performance or financial position.

Furthermore, pursuant to the combined provisions of Art. 2435-bis, paragraph 4 and Art. 2428, paragraphs 3 and 4 of the Civil Code, the company has never held or could it have held treasury shares.

In view of the foregoing and the provisions of Art. 2435-bis, final paragraph of the Civil Code, the company is not required to prepare a report on operations.

## HAMPSTEAD FINANCE SRL

Sole Director

Jean-Christophe Schroeder

The undersigned, Jean-Christophe Schroeder, in his capacity as Sole Director, aware of the criminal liability attaching to false statements, certifies, pursuant to Art. 47 of Presidential Decree 445/2000, that the copies attached hereto correspond to the documents kept in the company records.

Virtual stamp duty paid on authorization issued by the Milan Chamber of Commerce no. 3/4774/2000 of 19 July 2000, Revenue Agency - Lombardy Regional Tax Office – Milan branch



# **CREDICO FINANCE 10 S.r.l.**

Registered office: Largo Chigi 5, Rome  
Tax ID and VAT no. 06646740966  
Rome Company Register no. 06646740966  
Share capital: €10,000, fully paid-in  
A single-shareholder corporation

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## **Condensed financial statements at 31 December 2011**

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		<u>31.12.2011</u>	<u>31.12.2010</u>
<b>BALANCE SHEET - ASSETS</b>			
B)	NON-CURRENT ASSETS		
I	Intangible assets	-	-
II	Property and equipment	-	-
III	Non-current financial assets	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
C)	CURRENT ASSETS		
I	Inventories	-	-
II	Loans and receivables		
	Other loans and receivables		
a	due by the end of the next financial year	10,000	10,000
III	Current financial assets	-	-
IV	Cash and cash equivalents		
<b>TOTAL CURRENT ASSETS</b>		<b>10,000</b>	<b>10,000</b>
<b>TOTAL ASSETS</b>		<b>10,000</b>	<b>10,000</b>

**BALANCE SHEET – SHAREHOLDERS’ EQUITY AND LIABILITIES**

A)	SHAREHOLDERS’ EQUITY		
I	Share capital	10,000	10,000
IV	Legal reserve	-	-
VII	Other reserves	-	-
VIII	Retained earnings/losses carried forward	-	-
IX	Profit (loss) for the period	-	-
<b>TOTAL SHAREHOLDERS’ EQUITY</b>		<b>10,000</b>	<b>10,000</b>
B)	PROVISIONS FOR RISKS AND CHARGES	-	-
C)	POST-EMPLOYMENT BENEFITS	-	-
D)	PAYABLES	-	-
<b>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</b>		<b>10,000</b>	<b>10,000</b>

**INCOME STATEMENT**

A)	VALUE OF PRODUCTION	<u>31 Dec. 2011</u>	<u>31 Dec. 2010</u>
1	Revenues from sales and services	-	-
5	Other revenues and income	-	-
	<b>TOTAL VALUE OF PRODUCTION</b>	-	-
B)	<b>PRODUCTION COSTS</b>		
6	Raw materials, consumables and goods	-	-
7	Services	-	-
8	Leases and rentals	-	-
9	Personnel expenses:	-	-
	a salaries and wages		
	b social security contributions		
	c employee termination benefits		
	e other		
10	Depreciation, amortization and impairment:		
	a amortization		
	b depreciation		
14	Other operating expenses	-	-
	<b>TOTAL PRODUCTION COSTS</b>	-	-
	<b>DIFFERENCE BETWEEN VALUE OF PRODUCTION</b>	-	-
	<b>AND PRODUCTION COSTS (A) - (B)</b>		
C)	<b>FINANCIAL INCOME (EXPENSE)</b>		
16	Other financial income:		
17	Interest and other financial expense:		
17/bis	Foreign exchange gains/losses	-	-
	<b>TOTAL FINANCIAL INCOME (EXPENSE)</b>	-	-
E)	<b>EXTRAORDINARY INCOME AND EXPENSE</b>		
20	Income	-	-
21	Expense	-	-
	<b>TOTAL EXTRAORDINARY INCOME AND EXPENSE</b>	-	-
	<b>PROFIT (LOSS) BEFORE TAX</b>	-	-
22	Income tax expense for the year		
	<b>NET PROFIT (LOSS) FOR THE YEAR</b>	-	-

## EXPLANATORY NOTES

### IN CONDENSED FORM PURSUANT TO ART. 2435 BIS, PAR. 1 OF THE ITALIAN CIVIL CODE

#### *Introduction*

Dear Shareholders,

The financial statements for the year ended 31 December 2011, of which these explanatory notes constitute an integral part pursuant to Article 2423, paragraph 1 of the Italian Civil Code, correspond to the accounting records and were prepared in accordance with Articles 2423, 2423-bis, 2423-ter, 2424, 2424-bis, 2425, 2425-bis and 2426 of the Civil Code.

These financial statements are presented in condensed form as permitted pursuant to Article 2435-bis, paragraph 1, of the Civil Code and therefore are not accompanied by a report on operations.

The company was formed on 10 June 2009 pursuant to Law 130 of 30 April 1999 governing securitization transactions in Italy. However, as yet, the company has not sought registration on the list of vehicle companies under Art. 4 of the Bank of Italy regulation of 20 April 2011 as it has not engaged in any securitization transaction to date.

On 14 November 2011 the Shareholders' Meeting, in the presence of Notary Public Enrico Lainati, resolved to change the company name from Hampstead Finance S.r.l. to Credico Finance 10 S.r.l., to transfer the registered office from Milan, Via Pontaccio 10 to Rome, Largo Chigi 5, to reformulate the corporate purpose, to adopt the shareholders' register on a voluntary basis and to adopt new articles of association. The resolution was filed with the Rome Company Register on 28 November 2011 and, accordingly, those amendments take effect as from that date.

As to the sole asset item presented on the balance sheet, the receivable is reported at its estimated realizable value.

#### **ASSETS**

##### **Other loans and receivables due by the end of the next financial year**

The amount refers to a receivable in respect of Wilmington Trust SP Services (London) Limited, the company providing corporate services, which deposited the full amount of the share capital into a time deposit account (account no. 100705940 held at Unicredit Banca, Milano Freguglia branch) until the company opens an ordinary current account in its own name.

## **LIABILITIES**

### **Shareholders' equity**

Changes in shareholders' equity are shown in the following table:

	Balance at 1 Jan. 2011	Allocation of previous year's profit			Changes for the year					Profit for 2011	Shareholders' equity as at 31 Dec. 2011
		Reserves	Dividends and other transactions	Change in reserves	Equity transactions						
					Issue of new shares	Purchase of own shares	Extraordinary dividends	Changes in equity instrument	Other changes		
Share capital Reserves A) earnings b) other Net profit (loss) for the year	10,000										10,000
<b>Shareholders' equity</b>	<b>10,000</b>										<b>10,000</b>

Share capital at 31 December 2011 amounted to €10,000, fully subscribed and paid in by the sole shareholder, Stichting Erice.

## **OTHER INFORMATION**

Pursuant to and for the purposes of Art. 2427 of the Civil Code, we report the following information:

- 1) Point 5 – the company does not hold equity investments, either directly or through an intermediary or fiduciary company, in subsidiaries and associated companies.
- 2) Point 6 – the balance sheet does not report any receivables or payables falling due beyond five years and no corporate assets have been used as collateral for any amounts due.
- 3) Point 6-bis – No foreign currency transactions were carried out.
- 4) Point 8 – the company did not charge any financial expense against the amounts reported as assets in the balance sheet.
- 5) Point 11 – the company does not hold any equity investments and therefore it did not receive, nor did it report (under item 15 of Art. 2425 of the Civil Code), any income from investments other than dividends.

- 6) Point 18 – the company has not issued nor could it have issued, given its nature and applicable legislation, participation shares, convertible bonds and securities.
- 7) Point 19 - the company did not sign any contracts in respect of financing a specific deal.
- 8) Point 22 – the company carried out no finance lease transactions.
- 9) Point 22-bis and -ter - the company has not entered into any transactions with related parties nor has it signed any agreements that could affect its performance or financial position.

Furthermore, pursuant to the combined provisions of Art. 2435-bis, paragraph 4 and Art. 2428, paragraphs 3 and 4 of the Civil Code, the company has never held or could it have held treasury shares.

In view of the foregoing and the provisions of Art. 2435-bis, final paragraph of the Civil Code, the company is not required to prepare a report on operations.

Credico Finance 10 S.r.l.

Sole Director

Antonio Bertani

## AUDITOR'S REPORT

### Independent auditors' report

To the Quotaholder of  
**Credico Finance 10 S.r.l.**  
(formerly Hampstead Finance S.r.l.)

1. We have audited the financial statements of Credico Finance 10 S.r.l. as of and for the years ended 31 December 2010 and 2011. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of Credico Finance 10 S.r.l.'s sole director. Our responsibility is to express an opinion on these financial statements based on our audits. These financial statements have been prepared for the purpose of their inclusion in this offering circular prepared by Credico Finance 10 S.r.l. for the issue of certain floating rate notes due October 2050. This report is not issued pursuant to the provisions of the Italian law, as Credico Finance 10 S.r.l. for the years ended 31 December 2010 and 2011 was not required to the statutory audit, pursuant to art. 2477 of the Italian Civil Code.
2. Our audits were performed in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our audits to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audits provide a reasonable basis for our opinion.
3. In our opinion, the financial statements of Credico Finance 10 S.r.l. as of and for the years ended 31 December 2010 and 2011, prepared for the purposes of their inclusion in this Offering Circular have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position of Credico Finance 10 S.r.l. for the years then ended.

Rome, Italy  
28 February 2012

/s/ Reconta Ernst & Young S.p.A.

## THE ORIGINATORS

### 1. CO-OPERATIVE CREDIT SYSTEM

#### 1.1 The origins of the Italian credit co-operative banking system

Credit co-operative banks (*banche di credito co-operativo*) were first established at the end of the 19th century following the path of the rural credit co-operatives set up in Germany towards the second half of the same century. One of their aims was to fight usury, common in those times in the countryside, and to facilitate the access of local farmers, shopkeepers and craftsmen to credit facilities. According to their articles of association they were incorporated also to improve shareholders' financial, professional, moral and intellectual conditions. By the end of the 19th century, about 1,000 rural banks for co-operative credit (*casse rurali*) had been established throughout the country and in 1905 they were pooled together into the Italian Federation of Rural Banks for Co-operative Credit (*Federazione Italiana delle Casse Rurali*). Subsequently, Local Federations (*Federazioni Locali*) were also established following the steady increase in number that the rural banks for co-operative credit enjoyed until the 1929 economic crisis, which caused a reduction in the overall number of banks.

Since World War II there has been an increase in the number of rural banks for co-operative credit and only during the last decade has there been a decrease, as the consequence of mergers among themselves.

#### *Nature of the co-operative banks*

The mutual and co-operative nature of the BCCs is evidenced by the pieces of legislation currently regulating them including the Banking Act, the Bank of Italy's guidelines (the *Istruzioni di Vigilanza*), Law No. 59 of 31 January, 1992 (*Nuove norme in materia di società cooperative*) and the articles of association of the various BCCs. For historical reasons, BCCs are mutual and co-operative in nature. Originally, their shareholders had to belong to a specific trade or profession (i.e. farmers, small entrepreneurs and craftsmen). Pursuant to the Banking Act, BCCs are to a certain extent restricted in their activities and, in principle, generally provide financial assistance to their shareholders. In fact, the BCCs are subject to a specific requirement that a large proportion of their lending must be conducted with their shareholders. This requirement restricts the activities of BCCs as only persons residing in or having their principal place of business in the area where the bank operates may acquire shares in it. The mutual character of BCCs is further evidenced by the fact that the BCCs must have no fewer than 200 members, with one vote per member regardless of the number of shares held. In any event, the stake of each shareholder may not exceed a face value higher than € 50,000. Credit co-operative banks are incorporated as co-operative companies with limited liability (*società cooperative a responsabilità limitata*). Unlike ordinary banks, the main goal of the BCCs is not profit maximisation. Instead, they provide financial assistance to their customers and support to the local economy ensuring, at the same time, the long term economic viability of the BCC.

#### *Credit co-operative system structure*

The credit co-operative system consists of:

- the BCCs;
- the Local Federations (*Federazioni*);
- the National Federation (*Federcasse - Federazione nazionale delle Banche di Credito Cooperativo (Federcasse)*);<sup>88</sup>
- the ICCREA Group (as defined below);



- the Co-operative Credit Deposit Insurance Fund (Fondo di Garanzia dei Depositanti del Credito Cooperativo) ("FGD"); and
- the co-operative Bond-holders Insurance Fund (Fondo di Garanzia degli Obbligazionisti del Credito Cooperativo) ("FGO").
- the Co-operative Institutional Guarantee Fund (Fondo di Garanzia Istituzionale) (FGI)

BCCs remain independent within the Local Federations and the National Federation, while benefiting from being part of a wider co-ordinated network.

The Local Federations are divided into fifteen regional federations Federazione BCC Piemonte Valle d'Aosta Liguria, Federazione Lombarda delle BCC, Federazione Cooperative Raiffeisen, Federazione Trentina della Cooperazione, Federazione Veneta delle BCC, Federazione delle BCC del Friuli Venezia Giulia, Federazione delle BCC dell'Emilia Romagna, Federazione Toscana BCC, Federazione Marchigiana delle BCC, Federazione delle BCC del Lazio Umbria Sardegna, Federazione delle BCC dell'Abruzzo e del Molise, Federazione Campana delle BCC, Federazione delle BCC di Puglia e Basilicata, Federazione Calabrese delle BCC, Federazione Siciliana delle BCC.

The Local Federations have the following functions: representation, promotion, coordination, technical assistance and monitoring of members. They also manage joint services for the members and provide local coordination for the FDG. The Local Federations are joined at the national level in the Federcasse, constituted in 1950. The Federcasse provides strategic planning of this network, communication services, legal advice, research and statistics, industrial relations, training guidelines. At the international level, Federcasse is an active member of various international organisations in the sector of co-operative banks. Federcasse is a member of the Association of European Co-operative Banks (Abce - Gebc - Groupement) whose seat is in Brussels and which represents the co-operative banking system before the European Union and the various national institutions. Federcasse is also a member of the Unione Internazionale Raiffeisen (Iru), whose seat is in Bonn. This is an organisation for the worldwide promotion of the co-operative banking system, with a particular focus on depressed areas. The Italian co-operative system, via ICCREA, is a member of the Unico Banking Group, an organisation established in 1977 by the largest European co-operative banks' organisations (the Belgian Kbc Bank, the French Credit Agricole, the German Dg Bank, the Finnish Okobank, the Dutch Rabobank Group, the Austrian Rzb, the Spanish Banco Cooperativo, and the Swiss Banks' Union Raiffeisen). This organisation aims at integrating the participants' know-how and services in order to increase the importance of the co-operative banking system within the general, international banking system.

The ICCREA banking group (the "**ICCREA Group**") is registered in the roll of banking groups kept by the Bank of Italy under No. 20016 and has operated since 1995, when a significant reorganization took place which separated the credit activities (attributed to ICCREA Banca S.p.A.) and the activities of management and control of the entire ICCREA Group (which have been retained by Iccrea Holding S.p.A. in its capacity as parent company, of the ICCREA Group pursuant to article 60 of the Banking Act). The shareholders of Iccrea Holding S.p.A. are the BCCs, Federcasse, the Local Federations and the two Casse Centrali di Trento e Bolzano which operate as central cooperative banks within their respective territories.

The main activities of Iccrea Holding S.p.A. include the supervision and co-ordination of all the entrepreneurial activities carried out within the ICCREA Group and in particular the activities of:

ICCREA Banca S.p.A., Iccrea BancaImpresa S.p.A. (which operates in the leasing sector), AureoGestioni S.g.r.p.A. (an asset management company), BCC Gestione Crediti, Credico Finance S.p.A (a special purpose vehicle set up for a securitisation of performing loans originated by five BCCs), BCC Solutions, BCC Multimedia, BCC Assicurazioni (merchant bank), BCC Vita Spa (life insurance company), BCC Credito Consumo, BCC Private Equity.

The Italian co-operative banking system includes a deposit protection scheme established as early as 1978 exclusively for the BCCs: the "Fondo Centrale di Garanzia delle C.R.A." then replaced in 1997 by the "Fondo di Garanzia dei Depositanti del Credito Cooperativo" which was established as a result of the implementation of the European directive of bank depositors protection. The financial contribution is not paid into the fund; it is available on request when a depository reimbursement is needed, and it is accounted into the BCCs' books.

The Italian co-operative banking system includes also a bond-holders' protection scheme which was established in 2004 as a voluntary consortium among banks which are members of the Local Federations of Cooperative Banks. As of today 293 banks are members of the FGO. As of the end of April 2007 the FGO guarantees 6022 bond issues, for a total amount of about € 19.7 billions.

The FGI was founded on July 25th 2008 and the objective of the FGI is to protect the customers of the 440 mutual banks, rural banks, Raiffeisen Banks Tyrolean maintaining the liquidity and solvency of the participating banks through corrective actions and interventions to support and crisis prevention.

The following are compulsorily members of the FGD: the BCCs, the Casse Rurali of Trentino, the Casse Raiffeisen in Alto Adige and the Italian branches of non-Italian co-operative banks. In addition also ICCREA Banca S.p.A., the Casse Centrali of Trento and Bolzano and Banca Sviluppo S.p.A. are members of the FGD.

The FGD is distinct from the Fondo Interbancario per la Tutela dei Depositi which has the same role as far as non co-operative banks are concerned.

Once a distressed situation is detected, a range of solutions may be implemented by Federcasse, Local Federations and the FGD, together with Bank of Italy. The range of joint interventions within the system includes:

- moral suasion for the implementation of a recovery plan;
- change in management;
- tutorship between sound BCCs and distressed BCCs;
- mergers between nearby BCCs;
- zero-interest credit lines provided by the FGD for the implementation of a recovery plan;
- coverage transaction provided by the FGD and aimed at balancing assets and liabilities of a distressed BCC in favour of any acquiring bank;
- depositors' refund via the FGD up to a maximum amount of € 103,000 per depositor and provided that the overall amount of depositors' refunds does not exceed 0.80 per cent of the BCCs' bank deposits which, as at 30th June, 2008, were equal to € 538,853,730.
- Banca Sviluppo S.p.A., founded in 1999 by Iccrea Holding S.p.A. and eight large-sized BCCs, with the objective of acquiring distressed BCCs, can intervene as a very last resort.

Since 1997, the FGD has intervened to recover 40 Member Banks, through:

- the issue of 22 guarantees for a total amount of € 112,075,000 (data as at the 31st January 2009);
- 30 cash contributions for a total amount of € 37,109,230 (data as at the 31st January 2009).

## **1.2 The shareholders**

The special characteristic of the BCC juridical form is the importance of its shareholders. In the beginning a BCC shareholder had to be a member of a defined profession (i.e. farmer, small entrepreneur or craftsman). Nowadays the main prerequisite to become a BCC shareholder is to live or to do business within the BCC's geographical operating region, thus expanding and facilitating access to BCC membership. In fact the Consolidated Banking Act provides that shareholders cannot number less than 200 and must represent at least 50% of the BCC's customers. Two other provisions establish that each shareholder shall have one vote, whatever the number of shares owned and that the nominal value of the shares held by each shareholder shall not exceed Euro 50,000.

### **1.3 The BCCs**

The main features of a BCC are as follows:

- (i) they are local banks supporting families and businesses inside a defined area;
- (ii) they are mutual-purpose, non profit-oriented banks which are supposed to use part of their net income for charitable purposes;
- (iii) they are part of the "Co-operative Credit System" and can offer their customers a wide range of financial products and services as economics of scale.

As at 31st December 2010, the Co-operative Credit System included 414 banks and 4,403 branches, involves a high number of human resources as shown by the following data:

- (i) 1,069,913 shareholders;
- (ii) 4,422 Presidents, Vice Presidents and Members of the Board;
- (iii) 818 General Managers;
- (iv) 2,235 Auditors;
- (v) 5,700,000 customers;
- (vi) 32,000 employees.

The BCCs' network covers 2,7025 towns. As of 31st June 2011, the BCCs recorded the following:

- (i) total deposits of EURO 150,6 billion;
- (ii) total lending of EURO 137,9 billion;
- (iii) shareholders' equity of EURO 19.6 billion.

### **1.4 The Federations**

The Co-operative Credit System includes BCCs, Local Federations, the National Federation (Federcasse), Casse Centrali di Trento e Bolzano, and ICCREA Holding and involves other "product companies" such as ICCREA Banca, Banca Agrileasing, Aureogestioni, etc.

The BCCs remain independent within the Federations, while benefiting from the co-ordination and co-operation of the Co-operative Credit System.

The Local Federations are divided into fifteen regional federations Federazione BCC Piemonte Valle d'Aosta Liguria, Federazione Lombarda delle BCC, Federazione Cooperative Raiffeisen, Federazione Trentina della Cooperazione, Federazione Veneta delle BCC, Federazione delle BCC del Friuli Venezia Giulia, Federazione delle BCC dell'Emilia Romagna, Federazione Toscana BCC, Federazione Marchigiana delle BCC, Federazione delle BCC del Lazio Umbria Sardegna, Federazione delle BCC dell'Abruzzo e del Molise, Federazione Campana delle BCC, Federazione delle BCC di Puglia e Basilicata, Federazione Calabrese delle BCC, Federazione Siciliana delle BCC.

The two main roles of the Federations are to co-ordinate and to promote BCC products as well as to provide technical assistance and advice. The Local Federations have instituted external IT Centres whose network covers all the Italian geographical regions.

## 1.5 ICCREA Holding

Iccrea Holding monitors, guides and coordinates Iccrea Banking Group Companies to achieve tailored quality products and services, defining business strategies, planning and result monitoring. Iccrea Holding shareholders include *Credito Cooperativo* and *Casse Rurali* (BCC-CR), the Italian Federation of BCC-CR (*Federcasse*), local Federations and other territorial bodies.

Iccrea Banking Group is organized into three business areas that represent the Companies activity sectors of its Companies:

- (i) Institutional that gathers all Companies that provide products and services exclusively dedicated to Cooperative Credit Banks and Rural Banks. The broad range of solutions include securitization, institutional insurance products, loans to BCC payment systems, equity management, credit recovery service, Web and call center services.
- (ii) Corporate that it offers focused solutions to meet an always more exacting and sophisticated corporate demand: ordinary and extraordinary finance, long and medium term loans and foreign services, leasing and factoring, rental and other sophisticated corporate consultation activities.
- (iii) Retail segment, made up by Companies that supply products and services to private customers of Cooperative Credit Banks and Rural Banks. The broad range of offers includes asset management, personal loans, mortgages, electronic money and damage claim insurance

The ICCREA Group includes:

- (i) Iccrea Banca Spa (banking);
- (ii) BCC Gestione Crediti (Supports BCC-CR in problem loans)
- (iii) BCC Multimedia (Supplies products and services for each multichannel activity of BCC-CR);
- (iv) BCC Solutions (offers specific services for the Group Companies effectiveness);
- (v) Iccrea BancaImpresa (Monitors all business areas of Credito Cooperativo Banks corporate customers);
- (vi) BCC Private equity (Performs capital investment activities for companies);
- (vii) Auro Gestioni (Provides professional and regulated investment management);
- (viii) BCC Credito Consumo (Supporting family consumption)

## 1.6 Operational performance of the ICCREA Group

The consolidated financial statements summarize the operating results of the Iccrea Banking Group during the 2010 accounting period.

The structure of the Group as of 31 December 2010 was as follows:

### *Parent Company*

- Iccrea Holding S.p.A.

### *Subsidiaries*

- Iccrea Banca S.p.A.
- Iccrea BancaImpresa
- BCC Factoring S.p.A.
- BCC Lease S.p.A.\*\*
- Aureo Gestioni S.G.R.p.A.
- BCC Private Equity SGRpA.
- BCC Gestione Crediti
- BCC Factoring S.p.A.\*\*
- Immicra S.r.l.
- BCC Factoring S.p.A.\*\*
- BCC Securis S.r.l.\*\*
- Credico Finance s.r.l.
- Fondo Securis Real Estate\*\*
- BCC Multimedia S.p.A.

### *Associates*

- BCC Vita S.p.A.
- SeF Consulting S.p.A.
- Finanziaria delle Banche di Credito Cooperativo del Friuli-Venezia Giulia per lo sviluppo del Territorio S.r.l.
- Hi-MTF S.i.m..S.p.A.\*\*

\*\* *Indirectly, through Banca Agrileasing and Banca Iccrea*

## 1.7 ICCREA BANCA S.p.A.

ICCREA Banca S.p.A. - Istituto Centrale del Credito Cooperativo (Credit Co-operative Central Bank), a company directed and co-ordinated (soggetta all'attività di direzione e coordinamento) by Iccrea Holding S.p.A., is a bank operating in the form of a joint stock company (società per azioni)

with registered office at Via Lucrezia Romana 41-47, 00178, Rome, Italy, registered at No. 5251 in the register of banks held by the Bank of Italy pursuant to article 13 of the Banking Act.

Its share capital is € 216,913,200 fully paid in, as of December 31<sup>st</sup> 2010.

ICCREA Banca S.p.A. is at the heart of the Italian co-operative banking system, acting as the network's central bank at the national level. Its primary role is to provide clearing and payment services, liquidity management, brokerage and any other kind of financial services for the benefit of its member banks.

ICCREA Banca S.p.A. was incorporated on 30 November, 1963, as Istituto di Credito delle Casse Rurali ed Artigiane S.p.A., by the representatives of around 190 banche di credito cooperativo (the banche di credito cooperativo or co-operative banks are hereinafter referred to as the "BCCs" and each a "BCC"). Its share capital was held by Iccrea Holding S.p.A. (99.998%), and by the Federazione Lombarda (0.002%). According to its current corporate purpose (oggetto sociale), ICCREA Banca S.p.A. "renders the activities of the credit co-operative banks more complete, intense and effective, supporting and helping them to expand their operations through the supply of credit, banking services and financial aid in all its forms". Therefore, it performs a range of activities on behalf of the BCCs.

It trades directly in all financial instruments (equities, bonds and derivatives) on the Milan Stock Exchange and OTC. It is a primary dealer in the wholesale market for government bonds and has sole responsibility for market trading within the ICCREA Group (as defined below). ICCREA Banca S.p.A. has several branches throughout the country (Milano, Padova, Bologna, Firenze, Salerno and Palermo), the role of which is to provide assistance to, and promote its products and services among, the BCCs that operate in those areas.

### ***Internal Structure***

ICCREA Banca S.p.A. had 734 employees as of December 31<sup>st</sup>, 2010.

ICCREA Banca S.p.A. is currently implementing an internal restructuring plan which would result in the concentration of all activities under three central management areas (Direzioni Centrali).

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Francesco CARRI	Chairman
Annibale COLOMBO	Vice Chairman Vicarius
Bruno FIORELLI	Vice Chairman
Gianfranco BONACINA	Director
Pierino BUDA	Director
Maurizio CAPOGROSSI	Director
Roberto MAZZOTTI	Director
Gianpiero MICHIELIN	Director
Nicola PALDINO	Director
Domenico RAVAGLIOLI	Director
Salvatore SAPORITO	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Francesco CARRI	Chairman

Annibale COLOMBO	Vice Chairman Vicarius Board of Directors
Pierino BUDA	Vice Chairman of Board of Directors
Roberto MAZZOTTI	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Luigi GASPARI	Chairman
Camillo CATAROZZO	Auditor
Eros NAPPINI	Auditor
Antonio DE ROSI	Substitute Auditor
Santiago MASCARELLO	Substitute Auditor

The General Director is Dott. Leonardo Rubatto.

### **Financial Highlights**

The tables below set out the profits and losses and the assets of Iccrea Banca S.p.A. over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	57.592	72.434	45.107
Gross Income (120)	161.495	217.309	175.704
Operating Expenses (200)	- 127.059	- 143.021	- 136.141
Net income (loss) from financial operations (140)	145.663	167.418	193.721
Net profit (loss) for the period (290)	9.341	29.921	20.256

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	68,167	73,318	79,509
Due from Banks (60)	6,529,262	7,774,949	7,873,929
Loans (70)	792,637	1,049,043	833,742
Bond and other securities (20+30+40)	1,448,440	1,153,937	1,209,876
Total Assets	8,972,246	10,195,407	10,654,611

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	6,551,188	7,386,774	5,559,083
Securities issued (30+40+50)	510,610	1,810,714	3,741,271
Shareholders funds (130+140+150+160+170+180)	308,430	337,368	318,342
Total Liabilities	8,972,246	10,195,407	10,654,611

### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	4.3%	13.8%	9.3%
Net profit (loss) for the period/Gross Income	5.8%	13.8%	11.5%
Net Interest Income/Gross Income	35.66%	33.33%	25.67%
Share Capital/Loans	27.37%	20.70%	26.02%
NPLs/Loans	3.43%	2.56%	5.13%



## 2 CO-OPERATIVE BANKS INVOLVED IN CREDICO FINANCE 10'S TRANSACTION

### 2.1 BCC Romagna est

#### *Historical Background*

Romagna est Banca di Credito Cooperativo Società Cooperativa was founded on October 20<sup>th</sup> 1995 from the merger of "Banca di Credito Cooperativo di Savignano sul Rubicone" and "Banca di Credito Cooperativo Bellaria Igea-Marina".

The bank considers the continued participation of the social life of the company and the commitment to cooperation for the development of the territory distinctive and essential aspects of its activities.

The BCC Romagna Es, further, continues to invest in developing the local economy, in promoting and sustaining employment and continues to regard the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

The shareholders, as of December 31<sup>st</sup>, 2010 amounted to 2,233 members.

#### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors. Currently, the Board of Directors consists of 10 members as indicated in the table below:

Board of Directors	
Buda Pierino	Chairman
Monti Corrado	Vice Chairman
Bassi Mario	Director
Marcantoni Massimo	Director
Formica Manuela	Director
Gradara Davide	Director
Gridelli Gianfranco	Director
Silvagni Marco	Director
Mazza Stefano	Director
Fabbri Ercole	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Bertozzi Fausto	Chairman
Mauro Domenico	Auditor
Urbini Maurizio	Auditor
Zavatta Roberto	Substitute Auditor
Bellanti Alessandro	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 167.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking, to customers and retail business, through the sales network and virtual channels, with the support and coordination of the central services.

The Bank is oriented to the local economy and the principal customers are represented by retail and corporate.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Romagna est over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	26,087	19,521	21,369
Gross Income (120)	32,318	26,977	30,070
Operating Expenses (200)	- 20,405	- 17,781	- 18,935
Net income (loss) from financial operations (140)	29,773	23,238	25,649
Net profit (loss) for the period (290)	7,303	4,032	5,156

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,703	4,483	4,190
Due from Banks (60)	29,596	66,663	78,903

Loans (70)	724,551	735,805	725,880
Bond and other securities (20+30+40)	89,523	66,921	72,480
Total Assets	865,530	899,770	899,364

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	71,801	53,622	40,704
Securities issued (30+40+50)	416,748	420,851	409,110
Shareholders' funds (130+140+150+160+170+180)	90,623	97,757	100,595
Total Liabilities	865,530	899,770	899,364

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	8.06%	4.12%	5.13%
Net profit (loss) for the period/Gross Income	22.60%	14.95%	17.15%
Net Interest Income/Gross Income	80.72%	72.36%	71.06%
Share Capital/Loans	0.23%	0.27%	0.31%
NPLs/Loans	2.30%	3.90%	3.48%

## **2.2 BCC Forlì**

### ***Historical Background***

BCC Forlì was founded on 1971 from the merger of “Cassa Rurale ed Artigiana di Massimole” and Cassa Rurale e Artigiana di San Varano”.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 31st, 2010 amounted to 1,776 members.

## ***Organisation***

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Domenico RAVAGLIOLI	Chairman
Mario BONOLI	Vice Chairman
Cleonildo BANDINI	Director
Sergio TOZZI	Director
Giuliana CORTINI	Director
Enzo DONATI	Director
Franco FALLETTA CARAVASSO	Director
Gilberto FLAMIGNI	Director
Umberto RONDONI	Director
Amedeo SCOZZOLI	Director
Edgardo ZAGNOLI	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Domenico RAVAGLIOLI	Chairman
Mario BONOLI	Vice Chairman
Bruno FIORELLI	Director
Gilberto FLAMIGNI	Director
Umberto RONDONI	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Laura CAMPRI	Chairman
Nicola Maria BACCARINI	Auditor
Girolamo Giorgio RUBINI	Auditor
Stefano BARGOSSÌ	Substitute Auditor
Riccardo MENGOZZI	Substitute Auditor

As of December 31<sup>st</sup>, 2010, the number of employees is equal to 170.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking, to customers and retail business, through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

The Bank shall issue and placement at the customer's own traditional bonds.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Forlì over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	23,158	22,463	23,029
Gross Income (120)	28,403	29,833	30,696
Operating Expenses (200)	18,031	18,892	19,413
Net income (loss) from financial operations (140)	0,004	0,000	0,000
Net profit (loss) for the period (290)	6,275	3,832	3,045

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,527	4,402	5,110
Due from Banks (60)	32,650	26,342	25,795
Loans (70)	746,644	806,100	842,585
Bond and other securities (20+30+40)	131,669	124,730	114,619
<b>Total Assets</b>	<b>948,112</b>	<b>1.003,232</b>	<b>1.026,039</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	0,302	2,502	26,826
Securities issued (30+40+50)	354,282	386,731	367,352
Shareholders' funds (130+140+150+160+170+180)	89,935	97,129	97,351
<b>Total Liabilities</b>	<b>948,112</b>	<b>1.003,232</b>	<b>1.026,039</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	6,98%	3,95%	3,13%
Net profit (loss) for the period/Gross Income	22,09%	12,85%	9,92%
Net Interest Income/Gross Income	81,53%	75,30%	75,02%
Share Capital/Loans	0,03%	0,03%	0,03%
NPLs/Loans	6,30%	9,38%	11,73%

**2.3 BCC Della Marca*****Historical Background***

Banca Della Marca Credito Cooperativo was created through the incorporation into BCC di Orsago of BCC Altamarca on November 2001.

After this merger, the bank was named with its present name. As of November 2001, the bank had 6.234 shareholders, 263 employees and 33 branches.

The Bank's mission is to foster the economic and social development of local communities within which it operates, continuing in this sense the corporate policies of the entities that have historically formed the nucleus of the cooperative credit in 1895

Since 2008, the bank is subject to Moody's rating. Currently, the bank has a rating A3 with a stable outlook; the rating has confirmed even after the Italia's downgrade.

### ***Organisation***

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Michielin Gianpiero	Chairman
Zanatta Gino	Vice Chairman Vicarious
Bortolotto Claudio	Vice Chairman
Baratto Luciano	Director
Bertazzon Fabrizio	Director
Ceolin Adriano	Director
Marcolin Pietro	Director
Pessotto Renzo	Director
Rasera Amerino	Director
Travaini Enrico	Director
Valle Maurizio	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Michielin Gianpiero	Chairman
Baratto Luciano	Director
Bortolotto Claudio	Director
Valle Maurizio	Director
Zanatta Gino	Director
Rui Pierluigi	Chairman of Statutory Auditor
Dalla Vedova Piermatteo	Auditor
Fabris Piermario	Auditor

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Rui Pierluigi	Chairman
Dalla Vedova Piermatteo	Auditor
Fabris Piermario	Auditor
Giusti Aldo	Substitute Auditor
Vendramelli Gianni	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking, to customers and retail business, through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.



## ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Della Marca over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	39,312	41,660	34,066
Gross Income (120)	48,850	54,427	49,704
Operating Expenses (200)	- - 30,833	- - 32,423	- - 32,431
Net income (loss) from financial operations (140)	46,390	46,494	43,348
Net profit (loss) for the period (290)	<b>12,529</b>	<b>10,325</b>	<b>8,068</b>

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	5,829	5,989	6,794
Due from Banks (60)	117,106	149,132	109,531
Loans (70)	1,431,043	1,469,444	1,570,889
Bond and other securities (20+30+40)	168,462	130,162	107,964
Total Assets	<b>1,745,262</b>	<b>1,782,542</b>	<b>1,826,432</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	54,271	23,087	47,723
Securities issued (30+40+50)	687,532	699,878	629,064
Shareholders' funds (130+140+150+160+170+180)	124,390	143,748	152,628
Total Liabilities	<b>1,745,262</b>	<b>1,782,542</b>	<b>1,826,432</b>

### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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R.O.E.	10.1%	7.2%	5.3%
Net profit (loss) for the period/Gross Income	25.6%	19.0%	16.2%
Net Interest Income/Gross Income	80.5%	76.5%	68.5%
Share Capital/Loans	8.7%	9.7%	9.7%
NPLs/Loans	2.8%	2.8%	3.3%

## 2.4 Credito Trevigiano

### *Historical Background*

Credito Trevigiano was founded in 1995 from the merger of “Banca di Credito Cooperativo di Vedelago” and “Banca di Credito Cooperativo di Caerano di San Marco”.

"Credit Treviso" is a co-operative banking company, a "family bank" and a "bank for small and medium-sized enterprises", a suitable tool for the development of more than 100 communities where it operates.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
DI SANTO NICOLA	Chairman
DUSSIN ROBERTO	Vice Chairman
BERGAMIN ENZO	Director
BONORA DARIO	Director
BORDIN GIANFRANCO	Director
CAVASIN PAOLO	Director
DA MAREN FRANCO	Director
GRAZIOTTO DANIELE	Director
RIGON SERGIO	Director
VENDRAMINI PAOLO	Director
ZACCO CARLO	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
VISENTIN EUGENIO	Chairman
BASSO ANTONIO	Auditor
FRANCHETTO LUCA	Auditor
GHEGIN ROBERTO	Substitute Auditor
BORDIN GIOVANNI	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 273.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

In the recent years, the Bank has increased its customers service activities, expanding the product range and increasing the coupling to the non-banking credit function.

In this context, the activity is accompanied, today, naturally, to customer satisfaction in a variety of needs related to the demand for credit or savings products and services.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of Credito Trevigiano over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	38,601	31,726	27,732
Gross Income (120)	48,093	42,837	40,098
Operating Expenses (200)	- 31,939	- 29,422	- 29,072
Net income (loss) from financial operations (140)	46,052	35,888	33,988
Net profit (loss) for the period (290)	12,180	3,818	2,732

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	6,681	6,296	6,322
Due from Banks (60)	64,910	86,769	37,138
Loans (70)	1,097,127	1,145,972	1,176,818
Bond and other securities (20+30+40)	81,860	122,048	75,864
<b>Total Assets</b>	<b>1,300,468</b>	<b>1,413,146</b>	<b>1,348,139</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	9,647	18,306	45,012
Securities issued (30+40+50)	595,529	606,284	505,435
Shareholders' funds (130+140+150+160+170+180)	125,558	138,331	140,817
<b>Total Liabilities</b>	<b>1,300,468</b>	<b>1,413,146</b>	<b>1,348,139</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	9.70%	2.76%	1.94%
Net profit (loss) for the period/Gross Income	25.32%	8.91%	6.81%
Net Interest Income/Gross Income	80.26%	74.06%	69.16%
Share Capital/Loans	0.12%	0.12%	0.12%
NPLs/Loans	3.58%	5.44%	6.45%

## **2.5 BCC Centromarca**

### ***Historical Background***

BCC Centromarca was founded in 1982 as “Cassa Rurale di Prestiti di Preganziol, Sambughè e San Trovaso”.

The Bank continues to regard the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 31st, 2010 amounted to 2,377 members.

### **Organisation**

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
CENEDESE DOTT. TIZIANO	Chairman
DURIGON GEOM. FRANCO	Vice Chairman Vicarius
PAVANETTO ARCH. ELISEO	Vice Chairman
DE MARCHI GIACOMO	Director
FAVARO BENIAMINO	Director
PAVANETTO GEOM. RENATO	Director
REQUALE CAV. GIANCARLO	Director
TRONCHIN DOTT. ELIO	Director
ZANATTA DOTT. EMANUELE	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
CENEDESE DOTT. TIZIANO	Chairman
FAVARO BENIAMINO	Vice Chairman
PAVANETTO GEOM. RENATO	Director
REQUALE CAV. GIANCARLO	Director
ZANATTA DOTT. EMANUELE	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
CALAON DOTT. MASSIMO	Chairman
CURTOLO RAG. MARIA TERESA	Auditor
MUNARIN DOTT. GIOVANNI	Auditor
BIANCO D.SSA MONICA	Substitute Auditor
PALMA DOTT. PAOLO	Substitute Auditor

As of December 31<sup>st</sup>, 2010, the number of employees is equal to 116.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Centromarca over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	14,232	11,923	11,525
Gross Income (120)	17,459	15,501	15,331
Operating Expenses (200)	- 10,619	- 10,919	- 11,109
Net income (loss) from financial operations (140)	16,432	13,867	13,870
Net profit (loss) for the period (290)	4,989	2,107	1,897

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	2,712	2,784	2,592
Due from Banks (60)	36,674	31,576	19,770
Loans (70)	378,686	403,533	462,897
Bond and other securities (20+30+40)	62,253	76,638	55,593
<b>Total Assets</b>	<b>487,237</b>	<b>526,735</b>	<b>567,809</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	6,167	15,944	40,153
Securities issued (30+40+50)	155,451	191,182	195,257
Shareholders' funds (130+140+150+160+170+180)	50,004	55,824	56,920
<b>Total Liabilities</b>	<b>487,237</b>	<b>526,735</b>	<b>567,809</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	9.98%	3.78%	3.33%
Net profit (loss) for the period/Gross Income	28.58%	13.60%	12.37%
Net Interest Income/Gross Income	81.51%	76.92%	75.17%
Share Capital/Loans	0.014%	0.014%	0.013%
NPLs/Loans	1.59%	3.08%	4.04%

**2.6 BCC Anghiari e Stia*****Historical Background***

BCC Anghiari e Stia was founded in 1999 from the merger of “Banca di Credito Cooperativo di Anghiari” and “Banca di Credito Cooperativo di Stia”. The merger allowed the new bank to have greater amounts of assets and extend its operations to new geographic areas.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

The shareholders, as of December 31st, 2010 amounted to 4.995 members.

### ***Organisation***

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Paolo Sestini	Chairman
Nilo Venturini	Vice Chairman Vicarius
Giampiero Bilancetti	Vice Chairman
Giovanni Fornacini	Director
Carla Masetti	Director
Vasco Petruccioli	Director
Stefano Rossi	Director
Marco Salvi	Director
Andrea Trapani	Director
Ferrer Vannetti	Director
Maurizio Vecchio	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Paolo Sestini	Chairman
Nilo Venturini	Director
Carla Masetti	Director
Marco Salvi	Director
Maurizio Vecchio	Director



The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Massimo Meozzi	Chairman
Marina Cianfrani	Auditor
Fabiola Polverini	Auditor
Paolo Cenciarelli	Substitute Auditor
Giuseppe Mauro Della Rina	Substitute Auditor

As of December 31<sup>st</sup>, 2010, the number of employees is equal to 102.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Anghiari e Stia over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	12,671	12,910	12,639
Gross Income (120)	16,374	18,079	17,047
Operating Expenses (200)	- 10,442	-11,134	- 11,327
Net income (loss) from financial operations (140)	13,296	14,715	9,320
Net profit (loss) for the period (290)	2,076	2,614	- 1,995

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	3,189	2,828	2,922
Due from Banks (60)	11,350	16,331	12,057
Loans (70)	351,514	375,428	396,403
Bond and other securities (20+30+40)	65,501	48,842	54,293
<b>Total Assets</b>	<b>452,318</b>	<b>473,163</b>	<b>488,201</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
	27,622	24,679	35,049
Due to Banks (10)			
Securities issued (30+40+50)	168,307	182,617	177,134
Shareholders' funds (130+140+150+160+170+180)	39,698	42,809	43,633
<b>Total Liabilities</b>	<b>452,318</b>	<b>473,163</b>	<b>488,201</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	5.23%	6.11%	-4.57%
Net profit (loss) for the period/Gross Income	12.68%	14.46%	-11.71%
Net Interest Income/Gross Income	77.38%	71.41%	74.15%
Share Capital/Loans	3.18%	3.17%	3.15%
NPLs/Loans	7.53%	9.88%	9.88%

## 2.7 Banca del Valdarno

### *Historical Background*

Banca del Valdarno was founded in 1911 as “Cassa Rurale ed Artigiana del Valdarno” and it has changed its name in 2000 in "Banca del Valdarno".

The Bank’s mission consists in the satisfaction of its members and in the carrying out of role as reference bank in the competence territory.

In this perspective is necessary to value the particular attention that the bank reserves for the loyalty of its members.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 7 members as indicated in the table below:

<b>Board of Directors</b>	
Donato Gianfranco	Chairman
Malvisi Massimo	Vice Chairman
Bazzini Gabriele	Director
Bernini Fabrizio	Director
Canestri Loredana	Director
Ermini Marco	Director
Filippini Gabriele	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Moretti Luciano	Chairman
Ceccherini Eros	Auditor
Ferrarese Federica	Auditor
Bagnolesi Gabriella	Substitute Auditor
Polvani Lorenzo	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of Banca Valdarno over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	13,364	12,505	10,571
Gross Income (120)	17,468	16,307	13,836
Operating Expenses (200)	- 11,479	-11,190	-11,549
Net income (loss) from financial operations (140)	15,134	12,924	8,690
Net profit (loss) for the period (290)	2,709	968	-2,560

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	1,573	1,374	1,335
Due from Banks (60)	27,381	25,362	34,976
Loans (70)	364,821	381,805	372,487
Bond and other securities (20+30+40)	68,303	67,990	78,225
Total Assets	482,065	496,753	509,324

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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Due to Banks (10)	1,681	1,203	16,337
Securities issued (30+40+50)	211,330	221,595	217,476
Shareholders' funds (130+140+150+160+170+180)	39,416	43,163	43,038
Total Liabilities	482,065	496,753	509,324

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	6.87%	2.24%	-5.95%
Net profit (loss) for the period/Gross Income	15.51%	5.94%	-18.50%
Net Interest Income/Gross Income	76.51%	76.69%	76.40%
Share Capital/Loans	1.40%	1.49%	1.75%
NPLs/Loans	5.53%	8.91%	8.37%

## 2.8 BCC Vicentino Pojana Maggiore

### *Historical Background*

The “Banca di Credito Cooperativo Vicentino-Pojana Maggiore” was founded on September 13<sup>th</sup> 1895 as “Cassa Rurale e Prestiti” by Priest Valentino Tirapelle and Priest Giuseppe Pillon with 12 members. Those pioneers were animated by the desire to support a community of small farmers, tenant farmers, laborers and artisans with limited economic opportunities and operating in the local area.

The territorial expansion of the Bank has intensified over the past 15 years.

Actually, the Bank has 1,391 shareholders, 160 employs, 16 branches and two ATM.

Despite the use of new technology, the goal of the bank is the same: working for the development of the territory where it operates through grants of services to satisfy the needs of the competence area.

### *Organisation*

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Bersan Giancarlo	Chairman
Fortuna Moreno	Vice Chairman
Andretto Paolo	Director
Ba' Gianfranco	Director
Bigolin Luciano	Director
Biscotto Giancarlo	Director
Capitano Carlo	Director
Corrà Alberto	Director
Dalla Valle Enzo	Director
Marangon Luciano	Director
Meneghini Paolo Pietro	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Bersan Giancarlo	Chairman
Fortuna Moreno	Director
Capitano Carlo	Director
Corrà Alberto	Director
Dalla Valle Enzo	Director
Ferla Ernesto	Chairman of Statutory Auditor
Paganotto Nicola	Auditor
Sasso Fabiola	Auditor

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Ferla Ernesto	Chairman
Paganotto Nicola	Auditor
Sasso Fabiola	Auditor
Avogaro Lino	Substitute Auditor
Paolo Polidoro	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in financial instruments.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Vicentino Pojana Maggiore over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	14,549	10,458	10,546
Gross Income (120)	17,790	14,073	14,310
Operating Expenses (200)	-10,629	-11,017	-10,610
Net income (loss) from financial operations (140)	16,695	12,774	12,109
Net profit (loss) for the period (290)	4,974	1,176	875

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	1,824	1,809	2,089
Due from Banks (60)	29,457	17,744	20,910
Loans (70)	391,139	413,906	427,660
Bond and other securities (20+30+40)	47,551	79,649	83,381
<b>Total Assets</b>	<b>484,548</b>	<b>532,923</b>	<b>550,826</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	6,838	9,911	9,021
Securities issued (30+40+50)	224,984	242,756	235,957
Shareholders' funds (130+140+150+160+170+180)	38,245	43,832	43,136
<b>Total Liabilities</b>	<b>484,548</b>	<b>532,923</b>	<b>550,826</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	13.0%	2.7%	2.0%
Net profit (loss) for the period/Gross Income	28.0%	8.4%	6.1%
Net Interest Income/Gross Income	81.8%	74.3%	73.7%
Share Capital/Loans	0.26%	0.26%	0.25%
NPLs/Loans	1.14%	1.19%	1.18%

**2.9 Cassa Rurale ed Artigiana di Brendola*****Historical Background***

“Cassa Rurale ed Artigiana di Brendola” was founded in 1903 in the municipality of Brendola.



The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 30<sup>th</sup>, 2010 amounted to 4,139 members.

### ***Organisation***

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
SQUAQUARA Renato	Chairman
DALLA VECCHIA Guido	Vice Chairman
CASTAGNARO Antonio	Director
DANIELI Domenico Luigi	Director
CAICHILOLO Roberto	Director
ZUCCON Raffaele	Director
DORIA Paolo	Director
CONCATO Domenico	Director
FALLOPPI Dario	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
SASSO Gianfranco	Chairman
FIN Bruno	Auditor
MARCHETTI Giovanni	Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in financial instruments.

### **Financial Highlights**

The tables below set out the profits and losses and the assets of Cassa Rurale ed Artigiana di Brendola over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	31,618	23,254	21,207
Gross Income (120)	37,042	32,378	30,527
Operating Expenses (200)	-20,181	-20,837	-20,881
Net income (loss) from financial operations (140)30,916	30,916	26,300	25,773
Net profit (loss) for the period (290)	8,171	3,762	3,221

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,201	4,015	4,182
Due from Banks (60)	108,756	115,485	81,987
Loans (70)	816,651	836,357	854,874
Bond and other securities (20+30+40)	150,851	162,518	209,173
Total Assets	1,100,241	1,138,849	1,170,406

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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Due to Banks (10)		28,628	24,605	57,051
Securities issued (30+40+50)		506,873	521,047	467,598
Shareholders' funds (130+140+150+160+170+180)		93,704	103,009	102,437
Total Liabilities		1,100,241	1,138,849	1,170,406

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	8.72%	3.65%	3.14%
Net profit (loss) for the period/Gross Income	22.06%	11.62%	10.55%
Net Interest Income/Gross Income	85.36%	71.82%	69.47%
Share Capital/Loans	0.05%	0.05%	0.05%
NPLs/Loans	5.32%	7.11%	7.85%

## 2.10 BCC Alba, Langhe e Roero

### *Historical Background*

Banca di Credito Cooperativo di Alba, Langhe e Roero ("BCC Alba") was created through the incorporation into BCC di Diano D'Alba of BCC di Gallo Grinzane and BCC Vezza D'Alba.

After this merger, the bank was named with its present name. As of December 31<sup>st</sup> 2010, the bank had 35,050 shareholders, 422 employees.

### *Organisation*

BCC Alba's operational structure is made up of a Board of Directors and a Board of Statutory Auditors. The Board of Directors comprises 15 members which are currently as follows:

<b>Board of Directors</b>	
Felice Cerruti	Chairman
Tino, Ernesto Cornaglia	Vice Chairman Vicarius
Pierpaolo Stra	Vice Chairman
Guido Battaglio	Director
Matteo Bosco	Director
Ornella Bracco	Director
Raffaele Drocco	Director
Margherita Fenoglio	Director
Gian Franco Marengo	Director
Maurizio Montagnese	Director
Giulio Porzio	Director
Pierluigi Rinaldi	Director
Giancarlo Rista	Director
Emilio Vaschetto	Director
Mario Viazzi	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Michelangelo Bonardi	Chairman
Mariella Bottallo	Auditor
Maurizio Giacosa	Auditor
Giuseppe Pezzuto	Substitute Auditor
Giuseppe Vico	Substitute Auditor

### ***Main activities and future strategies***

BCC Alba is active in the areas of traditional banking as in well as in more recent and innovative banking areas, with regards both private customers and businesses via its commercial network and virtual network. The bank also enters into financial leasing agreements via Banca Impresa, a company

of the ICCREA Group. The bank offers preferential rates on its loans to its shareholders which fall under a particular category (i.e. farmers, new businesses, teenagers etc), for investment or other purposes.

### **Financial Highlights**

The tables below set out the profits and losses and the assets of BCC Alba over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	59,600	52,600	56,200
Gross Income (120)	77,600	75,900	77,600
Operating Expenses (200)	-67,300	-66,500	-65,800
Net income (loss) from financial operations (140)30,916	44,400	46,200	51,100
Net profit (loss) for the period (290)	18,100	15,200	10,200

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	17,300	19,200	28,200
Due from Banks (60)	34,200	98,800	133,700
Loans (70)	2,083	2,325	2,581
Bond and other securities (20+30+40)	357,917	360,300	310,300
Total Assets	2,547,900	2,876,400	3,136,000

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	74,800	44,300	211,800
Securities issued (30+40+50)	866,700	969,800	1,057,200
Shareholders' funds (130+140+150+160+170+180)	264,700	201,200	217,900
Total Liabilities	2,547,900	2,876,400	3,136,000

### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	10.3%	7,6%	4,6%
Net profit (loss) for the period/Gross Income	24,28%	20,05%	13,16%
Net Interest Income/Gross Income	80,0%	69,3%	72,5%
Share Capital/Loans	8,78%	9,24%	8,84%
NPLs/Loans	2,07%	2,41%	2,55%

## 2.11 BCC Pistoia

### *Historical Background*

Banca di Pistoia was founded is formed by the merger for concentration between “le Banche di Credito Cooperativo di Chiazzano-Pistoia” and “Banca di Credito cooperativo Spazzavento”.

As of December 31st, 2010, the number of shareholder is equal to 3,193.

### *Organisation*

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Mazzanti Giorgio	Chairman
Vaccaro Angelo	Vice Chairman
Amadori Andrea	Director
Ascari Adamo	Director
Carletti Mario	Director
Ciatti Mario	Director
Cipriani Annalisa	Director
Chiavacci Paolo	Director
Guarducci Massimo	Director
Gori Andrea	Director
Vuolato Michele	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Ascari Adamo	Director
Guarducci Massimo	Director
Chiavacci Paolo	Director
Mazzanti Giorgio	Director
Vaccaro Angelo	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Giusti Maurizio	Chairman
Iappelli Graziano	Auditor
Fantacci Adolfo	Auditor
Busi Alberto	Substitute Auditor
Moretti Alessandro	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 121.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Pistoia over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	18,634	13,500	14,147
Gross Income (120)	22,200	18,180	18,750
Operating Expenses (200)	- 13,326	- 14,035	- 14,267
Net income (loss) from financial operations (140)	15,107	12,770	15,544



Net profit (loss) for the period (290)	1,165	- 1,340	408
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#### Balance sheet

Assets (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Cash and cash equivalent (10)	2,106	2,079	2,041
Due from Banks (60)	28,521	17,637	15,282
Loans (70)	408,729	484,760	535,315
Bond and other securities (20+30+40)	59,186	48,559	47,719
Total Assets	521,433	580,357	622,427

Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	2,000	37,814	49,597
Securities issued (30+40+50)	244,334	256,548	265,509
Shareholders' funds (130+140+150+160+170+180)	49,936	51,695	50,316
Total Liabilities	521,433	580,357	622,427

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	2.33%	-2.59%	0,81%
Net profit (loss) for the period/Gross Income	5.24%	-7.37%	2.17%
Net Interest Income/Gross Income	83.93%	74.25%	75.45%
Share Capital/Loans	0.26%	0.22%	0.20%
NPLs/Loans	10.64%	7.65%	8.72%

## 2.12 BCC Campiglia dei Berici

### *Historical Background*

Banca di Credito Cooperativo di Campiglia dei Berici was founded on July 22<sup>nd</sup> 1986 as “Cassa Rurale di Prestiti di Campiglia dei Berici”.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 31st, 2010 amounted to 977 members.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
Ferrati Geom. Gabriele	Chairman
Miola Mariano	Vice Chairman
Barcaro rag. Antonella	Director
Bellin rag. Antonio	Director
Campeato prof. Lino	Director
Dalla Montà Nadia	Director
Negretto Antonio	Director
Pagliarusco rag. Fabio	Director
Tognetto ing. Filippo	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Pozza rag. Graziano	Chairman
Magagnin dott. Michele	Auditor
Michelazzo rag. Franco	Auditor

Battaglia rag. Sergio	Substitute Auditor
Marcante rag. Mirco	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Campiglia dei Berici over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	4,277,110	6,376	6,084
Gross Income (120)	5,548	5,428	5,544
Operating Expenses (200)	- 4,494	- 4,415	- 4,749
Net income (loss) from financial operations (140)30,916	5,181	4,798	4,240
Net profit (loss) for the period (290)	461	153	- 563

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	1,066	1,053	1,075
Due from Banks (60)	6,306	6,422	15,023

Loans (70)	140,482	153,001	153,595
Bond and other securities (20+30+40)	20,031	15,260	20,393
Total Assets	174,478	182,437	197,250

Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	1,138	3,004	1,040
Securities issued (30+40+50)	75,436	84,101	77,372
Shareholders' funds (130+140+150+160+170+180)	10,491	11,226	10,968
Total Liabilities	174,478	182,437	197,251

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	4.4%	1.37%	-5.13%
Net profit (loss) for the period/Gross Income	8.32%	2.83%	-10.15%
Net Interest Income/Gross Income	77.10%	117.46%	109.75%
Share Capital/Loans	0.088%	0.101%	0.172%
NPLs/Loans	6.80%	8.03%	13.39%

## 2.13 BCC Crediveneto

### *Historical Background*

“Banca di Credito Cooperativo Crediveneto” was founded in 2001 by the merger between “Banca Montagnanese Scaligera” and “Banca di Credito Cooperativo di Roveredo di Guà”.

Tradition and Change are the two words that represent the major component of its history: a history of solidarity and cooperative culture.

The Bank has 231 employees, 30 branches and it operates in more than 70 municipalities in the provinces of Padova, Verona, Vicenza and Mantova.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 10 members as indicated in the table below:

<b>Board of Directors</b>	
Luigi Sammarco	Honorarium Chairman
Alessandro Belluzzo	Chairman
Tullio Pregno	Vice Chairman Vicarius
Tiberio Martinelli	Vice Chairman
Per Giorgio Agostini	Director
Domenico Draghi	Director
Adelino Furlani	Director
Federico Furlani	Director
Gian Carlo Pasqualin	Director
Marcello Salandin	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Renato Modenese	Chairman
Diego Giroto	Auditor
Alberto Ferrarini	Auditor
Renzo Conte	Substitute Auditor
Alessandro Bisin	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Crediveneto over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	36,086	32,400	30,036
Gross Income (120)	44,206	43,466	45,300
Operating Expenses (200)	-26,117	-27,367	-27,568
Net income (loss) from financial operations (140)	38,103	33,740	28,024
Net profit (loss) for the period (290)	9,682	4,766	-1,473

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,165	4,080	4,189
Due from Banks (60)	41,635	66,039	35,282
Loans (70)	1,177,617	1,148,108	1,134,761
Bond and other securities (20+30+40)	138,524	141,740	107,110
Total Assets	1,422,615	1,422,220	1,345,777

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	12,565	19,267	20,651
Securities issued (30+40+50)	758,697	739,538	640,052

Shareholders' funds (130+140+150+160+170+180)	129,574	143,462	147,867
Total Liabilities	1,422,615	1,422,220	1,345,777

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	7.5%	3.3%	-1.0%
Net profit (loss) for the period/Gross Income	21.9%	11.0%	-3.3%
Net Interest Income/Gross Income	81.6%	74.6%	66.3%
Share Capital/Loans	1.2%	1.5%	1.7%
NPLs/Loans	7.2%	11.3%	12.9%

## 2.14 BCC Credumbria

### *Historical Background*

“Credumbria Banca di Credito Cooperativo” was originated from two mergers, the first between “BCC Del Trasimeno” and “BCC Ficulle”, that created “Banca del Trasimeno – Orvietano” and the second between “Banca del Trasimeno – Orvietano” and BCC Terni e Valnerina in 2007.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of October 31st, 2011 amounted to members 2,142.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 15 members as indicated in the table below:

<b>Board of Directors</b>	
Giovagnola Palmiro	Chairman
Banella Sandro	Vice Chairman Vicarius
Campagna Carmelo	Vice Chairman
Alberati Giovanni	Director
Basili Sauro	Director
Capoccia Enzo	Director
Delfino Giuseppe	Director
Faltoni Giancarlo	Director
Fonti Danilo	Director
Foschi Stefano	Director
Mescolini Luciano	Director
Olivi Mauro	Director
Petrucci Stefano	Director
Ponteggia Ramusio	Director
Sgaravizzi Renato	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Frustini Giampiero	Chairman
Lucciola Marta	Auditor
Mari Libero Mario	Auditor
Busso Andrea	Substitute Auditor
Rocchini Giuseppe Serafino	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.



Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Crediumbria over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	15,614	12,790	12,675
Gross Income (120)	18,353	17,438	15,034
Operating Expenses (200)	(9,507)	(10,691)	(10,559)
Net income (loss) from financial operations (140)	14,610	14,342	11,887
Net profit (loss) for the period (290)	3,969	2,633	707

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	2,944	3,004	3,179
Due from Banks (60)	17,890	22,136	25,296
Loans (70)	280,407	302,067	331,836
Bond and other securities (20+30+40)	61,520	62,101	54,761
Total Assets	376,135	404,424	432,152

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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Due to Banks (10)	100	101	4,499
Securities issued (30+40+50)	143,091	151,225	154,029
Shareholders' funds (130+140+150+160+170+180)	33,693	37,391	39,608
<b>Total Liabilities</b>	<b>376,135</b>	<b>404,424</b>	<b>432,152</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	11.78%	7.04%	1.79%
Net profit (loss) for the period/Gross Income	21.63%	15.10%	4.70%
Net Interest Income/Gross Income	85.08%	73.35%	84.31%
Share Capital/Loans	1.20%	1.07%	0.99%
NPLs/Loans	8.08%	10.21%	12.45%

## **2.15 BCC Pompiano e Franciacorta**

### ***Historical Background***

“Banca di Credito Cooperativo di Pompiano e Franciacorta” was founded on March 13th 1919 as Cassa Rurale di Depositi e Prestiti di Pompiano" by 10 founding shareholder which were stimulated by Priest Pietro Pazza.

As of September 31<sup>st</sup> 2011, the bank had 2,688 shareholders, 261 employees.

### ***Organisation***

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>		
GIRELLI	Sergio	Chairman
PLODARI	Francesco	Vice Chairman
BELLINI	Marco	Director
BOTTURI	Battista	Director
FONTANA	Gianpaolo	Director
MIRANI	Guido	Director
MOLINARI	Lorenzo	Director
MOLINARI	Oscar	Director
VARINELLI	Giovanni	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>		
GIRELLI	Sergio	Chairman
MOLINARI	Lorenzo	Vice Chairman
BOTTURI	Battista	Director
MOLINARI	Oscar	Director
VARINELLI	Giovanni	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>		
LEPIDI	Battista	Chairman
BERTOLI	Orlando	Auditor
BONETTI	Alfredo	Auditor
GANDOSSI	Angelo	Substitute Auditor
PASOTTI	Paolo	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Pompiano e Franciacorta over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	51,327	46,917	31,671
Gross Income (120)	59,371	59,627	46,369
Operating Expenses (200)	-25,854	-27,266	-30,249
Net income (loss) from financial operations (140)	54,127	50,157	41,763
Net profit (loss) for the period (290)	23,439	18,465	8,404

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	6,436	5,974	6,149
Due from Banks (60)	78,476	44,727	37,872
Loans (70)	1,458,861	1,646,487	1,868,091
Bond and other securities (20+30+40)	223,016	270,583	280,714
Total Assets	1,810,443	2,015,866	2,252,309

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	23,579	11,932	88,003
Securities issued (30+40+50)	911,691	985,362	1,071,935
Shareholders' funds (130+140+150+160+170+180)	258,427	283,411	292,640
<b>Total Liabilities</b>	<b>1,810,443</b>	<b>2,015,866</b>	<b>2,252,309</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	9.07%	6.52%	2.87%
Net profit (loss) for the period/Gross Income	39.48%	30.97%	18.12%
Net Interest Income/Gross Income	86.45%	78.68%	68.30%
Share Capital/Loans	0.13%	0.14%	0.14%
NPLs/Loans	4.96%	6.41%	7.04%

## **2.16 BCC Malatestiana**

### ***Historical Background***

“Banca Malatestiana - Credito Cooperativo Società Cooperativa” was founded on September 2002 by the merger between “Banca di Credito Cooperativo di San Vito e Santa Giustina di Rimini” and “Banca di Credito Cooperativo di Ospedaletto di Coriano”.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 31st, 2010 amounted to 3,979 members.

### ***Organisation***

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
CAVALLI ENRICA	Chairman
FABBRI STEFANO	Vice Chairman
BERLINI MARIO	Director
FABBRI FAUSTO	Director
GENTILI VINCENZO	Director
MORETTI MAURIZIO	Director
NICOLETTI FRANCESCO	Director
SANTINI ENRICO GIULIANO	Director
VALENTI PIERANGELO	Director
ZANNONI RICCARDO	Director
ZORTEA MADDALENA	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
SANTINI ENRICO GIULIANO	Chairman
CAVALLI ENRICA	Vice Chairman
FABBRI STEFANO	Director
GENTILI VINCENZO	Director
VALENTI PIERANGELO	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
GUDINI MADDALENA	Chairman
BERARDI EVARISTO	Auditor
ROSSI GIORGIO	Auditor
GAGLIARDI DANIELE	Substitute Auditor
GIROLOMINI MARIANNA	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 236.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The Bank shall issue and placement at the customer's own traditional bonds and money market instrument.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Malatestiana over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	39,068	27,638	29,436
Gross Income (120)	45,628	35,158	37,915
Operating Expenses (200)	- 22,010	- 22,537	- 24,042
Net income (loss) from financial operations (140)	40,101	30,613	32,862
Net profit (loss) for the period (290)	14,730	6,011	6,920

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	2,932	3,099	2,843
Due from Banks (60)	45,206	46,417	46,282
Loans (70)	1,036,434	1,032,830	1,080,039
Bond and other securities (20+30+40)	110,646	211,556	180,352
<b>Total Assets</b>	<b>1,227,050</b>	<b>1,334,502</b>	<b>1,352,623</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	19,979	18,214	43,640
Securities issued (30+40+50)	520,694	511,471	473,841
Shareholders' funds (130+140+150+160+170+180)	175,598	191,989	195,967
<b>Total Liabilities</b>	<b>1,227,050</b>	<b>1,334,502</b>	<b>1,352,623</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	8.70%	3.13%	3.53%
Net profit (loss) for the period/Gross Income	32.28%	17.10%	18.25%
Net Interest Income/Gross Income	85.62%	78.61%	77.64%
Share Capital/Loans	0.61%	0.74%	0.79%
NPLs/Loans	3.65%	5.59%	6.93%

## **2.17 BCC Ancona**

### ***Historical Background***

“Banca di Credito Cooperativo di Ancona” was founded in 1901 as “Cassa Rurale ed Artigiana di Varano” and it continues to consider the satisfaction of its members as a strategic goal.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members



As of December 31<sup>st</sup> 2010, the bank had 2,451 shareholders, 49 employees.

### ***Organisation***

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
Mengascini Franco	Chairman
Cingolani Sergio	Vice Chairman
Carota Italo	Director
Pace Antonio	Director
Marcucci Leonello	Director
Vignoni Sauro	Director
Galassi Genuino	Director
Agostinelli Tommaso	Director
Ferretti Paolo	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Molinelli Ennio	Chairman
Rossolini Carlo	Auditor
Messina Elio	Auditor
Cartuccia Marco	Substitute Auditor
Remia Paolo	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi”.

The Bank shall issue and placement at the customer's own traditional bonds

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Ancona over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	6,338	6,508	6,016
Gross Income (120)	7,990	8,500	8,352
Operating Expenses (200)	- 5,767	- 5,983	- 5,736
Net income (loss) from financial operations (140)	7,056	7,195	6,489
Net profit (loss) for the period (290)	880	801	252

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	708	492	529
Due from Banks (60)	11,013	14,716	11,087
Loans (70)	180,341	202,267	208,141
Bond and other securities (20+30+40)	25,616	36,899	38,646
Total Assets	223,721	260,713	264,896

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	593	223	5,022
Securities issued (30+40+50)	76,526	85,664	86,082
Shareholders' funds (130+140+150+160+170+180)	17,347	18,991	19,447

Total Liabilities	223,721	260,713	264,896
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**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	5.07%	4.22%	1.30%
Net profit (loss) for the period/Gross Income	11.01%	9.43%	3.02%
Net Interest Income/Gross Income	79.33%	76.57%	72.04%
Share Capital/Loans	0.55%	0.74%	1.00%
NPLs/Loans	5.14%	5.30%	7.80%

## **2.18 BCC Bedizzole Turano Valvestino**

### *Historical Background*

“Cassa Rurale di Bedizzole Turano Valvestino” was founded on April 29th 1895 by the merger for concentration between “Cassa Rurale di Turano Valvestino” and “Cassa Rurale di Bedizzole”. In 2002 the bank changed its name in “Banca di Credito Cooperativo di Bedizzole Turano Valvestino”.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

The shareholders, as of December 31st, 2010 amounted to 2,165 members.

### *Organisation*

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
ZABBIALINI ALBINO	Chairman
ZECCHI RENATA	Vice Chairman Vicarius
BETTANINI TOMMY	Vice Chairman
AMADEI FERNANDO	Director
CAFFI OTTORINO	Director
MOR BEATRICE	Director
MUTTI STEFANO	Director
PEDERZOLI RUGGERO	Director
SILVESTRI MARCO	Director
TREVISANI GIAN PIETRO	Director
VIANI SERGIO	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
ZABBIALINI ALBINO	Chairman
AMADEI FERNANDO	Director
MOR BEATRICE	Director
PEDERZOLI RUGGERO	Director
VIANI SERGIO	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
ROTTIGNI ANTONELLO	Chairman
LUSENTI CATERINA	Auditor
PICCHIERI FRANCO	Auditor
NOLLI ANDREA	Substitute Auditor
SPASSINI FABRIZIO	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 122.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Bedizzole Turano Valvestino over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	20,461	14,655	13,834
Gross Income (120)	23,346	17,753	17,248
Operating Expenses (200)	13,576	12,664	13,454
Net income (loss) from financial operations (140)	19,815	13,384	14,477
Net profit (loss) for the period (290)	4,814	200,279	286,892

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,070	3,692	3,502
Due from Banks (60)	15,775	16,351	20,626
Loans (70)	535,699	527,296	524,623
Bond and other securities (20+30+40)	66,753,666	60,381,904	56,304

Total Assets	641,356	632,356	638,523
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Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	889,256	6,890,466	3,330,811
Securities issued (30+40+50)	282,110	273,427	233,201
Shareholders' funds (130+140+150+160+170+180)	64,259	69,350	68,799
Total Liabilities	641,356	632,356	638,523

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	6.97%	0.29%	0.42%
Net profit (loss) for the period/Gross Income	20.62%	1.13%	1.66%
Net Interest Income/Gross Income	87.64%	82.55%	80.20%
Share Capital/Loans	0.26%	0.28%	0.31%
NPLs/Loans	4.39%	7.19%	7.26%

## 2.19 BCC Ostra e Morro d'Alba

### *Historical Background*

The BCC was founded in 1914 and, as of today, has made a merger with the “*Finanziaria di Mutuo Soccorso di Morro d'Alba*”, which took place on March, 27th 1996.

Currently, the Institute's name is "Banca di Credito Cooperativo di Ostra e Morro d'Alba" (hereinafter abbreviated as "Morro d'Alba, Ostra and BCC") with registered office in Ostra, in the province of Ancona (Marche).

The Bank considers the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

This is why we have continuously increased the number of economic benefits and social initiatives that the BCC and Morro d'Alba, Ostra reserve to its shareholders.

The shareholders, as of December 31st, 2010 amounted to 2,501 members.

## ***Organisation***

BCC Ostra e Morro d'Alba operational structure is made up of a Board of Directors and a Board of Statutory Auditors. The Board of Directors comprises 9 members which are currently as follows:

<b>Board of Directors</b>	
MANSANTA PIERGIORGIO	Chairman
MALLUCCI ANTONIO	Vice Chairman Vicarius
RAMAZZOTTI LORETTA	Vice Chairman
GANZETTI GIAMPIERO	Director
LUZI FABIO	Director
GIULIONI FAUSTINO	Director
MARCHETTI BIANCA MARIA	Director
CECCARELLI MARIO	Director
TARSI SANTE	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
DE GENNARO GERARDO	Chairman
GROSSI SANDRINO	Auditor
PETRINI PAOLA	Auditor
BARUCCA ROBERTO	Substitute Auditor
ROMAGNOLI SIMONA	Substitute Auditor

## ***Main activities and future strategies***

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses, mostly members as required by the Supervisory Board, through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term, finalized to the elasticity of the Cash, receivables or on realization of the implementation of plans investment and restructuring

## ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Ostra e Morro d'Alba over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	5,141	4,624	5,471
Gross Income (120)	6,359	6,163	7,297
Operating Expenses (200)	4,038	4,327	4,430
Net income (loss) from financial operations (140)	5,986	5,569	5,116
Net profit (loss) for the period (290)	1,537	871	302

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	100	100	100
Due from Banks (60)	12,900	14,400	9,700
Loans (70)	165,800	184,100	202,400
Bond and other securities (20+30+40)	20,178	24,513	25,118
Total Assets	204,300	228,600	243,000

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	5,900	5,000	4,800
Securities issued (30+40+50)	98,416	112,730	118,493
Shareholders' funds (130+140+150+160+170+180)	13,600	15,300	18,900
Total Liabilities	204,300	228,600	243,000

### **Balance Sheet's Ratios**



<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	11.38%	6.01%	1.60%
Net profit (loss) for the period/Gross Income	24.18%	14.14%	4.14%
Net Interest Income/Gross Income	80.85%	75.03%	74.97%
Share Capital/Loans	0.05%	0.06%	1.52%
NPLs/Loans	4,20%	4,88%	4,88%

## **2.20 BCC Adda e del Cremasco**

### ***Historical Background***

“Banca di Credito Cooperativo dell’Adda e del Cremasco” was founded in 2009 by the merger between “Banca dell’Adda” and “Cassa Rurale del Cremasco”.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

As of December 31<sup>st</sup> 2010, the bank had 4,205 shareholders.

### ***Organisation***

BCC Adda e Cremasco operational structure is made up of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors comprises 10 members which are currently as follows:

<b>Board of Directors</b>	
Giorgio Merigo	Chairman
Angelo Manfredi	Vice Chairman Vicarius
Luigi Bargigia	Director
Alberto Basso	Director
Gianfranco Brambilla	Director
Antonio Raoul Denti Pompiani	Director
Ernesto Ercoli	Director
Quinto Ginelli	Director
Luigi Rossini	Director
Dionisio Sanzanni	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Alberto Marchesi	Chairman
Andrea Cantoni	Auditor
Maria Rosa Scorsetti	Auditor
Virginio Cavalli	Substitute Auditor
Andrea Irsonti	Substitute Auditor

### ***Main activities and future strategies***

The bank carries out its activities in the traditional sector and focuses its attention on small business and retail customers.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

## **Financial Highlights**

The tables below set out the profits and losses and the assets of BCC dell'Adda e del Cremasco over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	16,684	13,178	13,151
Gross Income (120)	19,776	16,830	16,853
Operating Expenses (200)	13,068	12,813	12,748
Net income (loss) from financial operations (140)	18,724	14,789	14,977
Net profit (loss) for the period (290)	4,411	1,230	1,481

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	3,171	3,305	3,635
Due from Banks (60)	28,894	28,121	14,750
Loans (70)	347,780	372,342	403,328
Bond and other securities (20+30+40)	89,417	92,621	89,857
Total Assets	483,920	509,808	525,513

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	61	0	2,524
Securities issued (30+40+50)	194,705	204,226	207,003
Shareholders' funds (130+140+150+160+170+180)	49,179	54,577	53,824
Total Liabilities	483,920	509,808	525,513

### **Balance Sheet's Ratios**

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	8.97%	2.25%	2.75%
Net profit (loss) for the period/Gross Income	22.30%	7.31%	8.79%
Net Interest Income/Gross Income	84.36%	78.30%	78.03%
Share Capital/Loans	0.028%	0.027%	0.026%
NPLs/Loans	4.36%	5.11%	5.78%

## 2.21 BCC San Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada

### *Historical Background*

The bank was founded in 1896 as Cassa Rurale di Prestiti “S. Biagio” di Fossalta di Portogruaro”.

After two mergers, the first in 1994 with “Cassa Rurale ed Artigiana di Cesarolo-Bibione” and “Cassa Rurale ed Artigiana S. Biagio di Fossalta di Portogruaro” and the second with “Banca di Credito Cooperativo Sud Friuli – Latisana” the bank changed its name in Banca S.Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada – Banca di Credito Cooperativo.

### *Organisation*

The bank operational structure is made up of a Board of Directors and a Board of Statutory Auditors.

The Board of Directors comprises 11 members which are currently as follows:

Board of Directors	
Anastasia Franco	Chairman
De Luca Luca	Vice Chairman Vicarius
Cappelletto Renzo Dante	Director
Covre Giuseppe	Director
Arreghini Gigliola	Director
Re Paolo	Director
Battiston Marco	Director
Scodellaro Gianni	Director
Tamai Giovanni	Director
Faggion Alberto	Director
Striuli Giovanni	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Zanet Tarcisio	Chairman
Bandolin Piergiorgio	Auditor
Cicuto Roberto	Auditor
Benatelli Mario	Substitute Auditor
Creiasco Pietro Antonio	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 146.

### ***Main activities and future strategies***

The Bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC San Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	20,770	16,768	15,201
Gross Income (120)	27,947	23,259	23,240
Operating Expenses (200)	-18,496	-16,648	17,387
Net income (loss) from financial operations (140)	25,834	21,535	21,336
Net profit (loss) for the period (290)	5,855	3,564	2,707

**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,405	3,588	3,491
Due from Banks (60)	34,780	62,668	40,022
Loans (70)	650,974	647,208	675,428
Bond and other securities (20+30+40)	64,296	71,289	61,553
<b>Total Assets</b>	<b>763,857</b>	<b>797,098</b>	<b>790,226</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	40,500	43,696	74,183
Securities issued (30+40+50)	344,232	352,844	273,895
Shareholders' funds (130+140+150+160+170+180)	64,552	72,932	74,915
<b>Total Liabilities</b>	<b>763,857</b>	<b>797,098</b>	<b>790,226</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	9.07%	4.89%	3.61 %
Net profit (loss) for the period/Gross Income	20.95%	15.32%	11.65%
Net Interest Income/Gross Income	74.32%	72.09%	65.41%
Share Capital/Loans	1.07%	1.50%	1.49%
NPLs/Loans	2.57%	3.53%	3.85%

## 2.22 BCC Gatteo

### *Historical Background*

The BCC Gatteo was founded in 1897 thanks to the determination and vision of 10 Founding Fathers, led by Don Benedetto Bassi, with the intent to help families struggling with economic difficulties.

First as “Cassa Rurale di Prestiti”, then as “Cassa Rurale ed Artigiana” and now as “Banca di Credito Cooperativo di Gatteo” for over 100 years does business trying to accompany the economic and social development of the area, paying particular attention to the needs and expectations of the families and companies that animate it.

The Bank continues to regard the satisfaction of its members as a strategic objective, continuing in this sense the corporate policies of those who have given birth to the new reality.

The shareholders, as of December 31st, 2010 amounted to 1,815 members.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

The Board of Directors consists of 7 members as indicated in the table below:

<b>Board of Directors</b>	
Galassi Dott. Gabriele	Chairman
Andreucci Sig. Guglielmo	Vice Chairman
Gardini Dott. Marco	Director
Grilli M.o Pier Luigi	Director
Sapigni Rag. Claudio	Director
Vincenzi Rag. Massimo	Director
Vitali Sig. Francesco	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Scarpellini Dott.sa Donatella	Chairman
Giorgetti Dott.sa Nicoletta	Auditor
Togni Rag. Rino	Auditor
Berlini Dott. Massimo	Substitute Auditor
Gobbi Rag. Bruno	Substitute Auditor

### ***Main activities and future strategies***

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring. Most consumer credit is made through the brand “Crediper”.

In the asset management, in addition to the placement of mutual funds and asset management of the leading asset management company, the Bank placed insurance financial products (eg unit-linked and index-linked).

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Gatteo over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	11,494	10,122	11,284
Gross Income (120)	1,936	2,087	2,883
Operating Expenses (200)	-13,269	-13,342	-14,140
Net income (loss) from financial operations (140)	8,154	8,917	9,572
Net profit (loss) for the period (290)	2,587	1,356	820,273

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	15,854	12,082	11,039



Due from Banks (60)	74,378	68,179	90,281
Loans (70)	376,702	405,322	435,307
Bond and other securities (20+30+40)	226	913	1,878
Total Assets	12,062	16,148	15,747

Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	17,089	15,433	37,964
Securities issued (30+40+50)	168,155	226,809	246,609
Shareholders' funds (130+140+150+160+170+180)	45,980	49,965	50,145
Total Liabilities	486,221	510,587	558,744

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	5.63%	2.71%	1.64%
Net profit (loss) for the period/Gross Income	0.19%	0.10%	0.06%
Net Interest Income/Gross Income	86.63%	75.87%	79.80%
Share Capital/Loans	0.13%	0.13%	0.11%
NPLs/Loans	5.07%	6.55%	7.03%

## 2.23 BCC Romagna Cooperativa

### *Historical Background*

“Banca Romagna Cooperativa” born on October 20th, 2008 from the union of “Banca Romagna Centro – Credito Cooperativo” and “Banca di Credito Cooperativo di Macerone”.

The current “Banca Romagna Cooperativa” is, therefore, the culmination of a long history, founded over a century ago with the Rural Banks: Macerone (1904), Martorano (1912), Santa Sofia (1915), San Giorgio (1917), banks born in rural areas thanks to the initiative of priests and lay people with far-sighted aims to protect farmers and small tradesmen and help the development of the territories.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members and the efforts for the growth of number of members of the BCC itself

The shareholders, as of December 31st, 2010 amounted to 6,698 members.

### ***Organisation***

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 13 members as indicated in the table below:

<b>Board of Directors</b>	
Sintini Nazario	Chairman
Alessandri Antonio	Vice Chairman Vicarius
Abbondanza Alder	Director
Benini Romano	Director
Cappelli Domenico	Director
Carli Alessandro	Director
D'Amore Rosanna	Director
Del Vecchio Davide	Director
Fortibuoni Gianluca	Director
Pieri Paolo	Director
Romboli Silvia	Director
Tassinari Corrado	Director
Toni Elena	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Franchi Stefano	Chairman
Albani Giovanni	Auditor
Moretti Andrea	Auditor

As of December 31st, 2010, the number of employees is equal to 223.

### ***Main activities and future strategies***

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The Bank is authorized by Consob to play, as well as traditional investment services, including consulting services. This service is performed on a wide range of financial instruments and is delivered on demand or on the initiative of the Bank

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Romagna Cooperativa over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	27,827	24,955	28,757
Gross Income (120)	32,664	32,314	28,851
Operating Expenses (200)	- 23,799	- 24,978	- 23,858
Net income (loss) from financial operations (140)	28,405	28,560	25,460
Net profit (loss) for the period (290)	<b>1,223</b>	<b>1,516</b>	<b>1,237</b>

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	6,000	6,000	6,000
Due from Banks (60)	19,000	36,000	17,000

Loans (70)	911,000	1,003,000	1,027,000
Bond and other securities (20+30+40)	91,000	100,000	107,000
Total Assets	1,080,000	1,188,000	1,198,000

Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	51,000	79,000	105,000
Securities issued (30+40+50)	524,000	107,000	121,000
Shareholders' funds (130+140+150+160+170+180)	75,000	82,000	86,000
Total Liabilities	1,080,000	1,188,000	1,198,000

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	1.62%	1.85%	1.48%
Net profit (loss) for the period/Gross Income	3.74%	4.69%	3.55%
Net Interest Income/Gross Income	85.52%	77.23%	82.41%
Share Capital/Loans	8.40%	8.32%	8.35%
NPLs/Loans	2.57%	2.71%	2.30%

## 2.24 BCC Camerano

### *Historical Background*

The “Cassa Rurale e Artigiana di Camerano” was founded at the end of the 19th Century in order to support the activity of the territory.

The Bank considers the satisfaction of its members as a strategic goal and it continues to support the local economy.

The shareholders, as of December 31st, 2010 amounted to 731 members.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
BOTTALUSCIO CARLO	Chairman
BURATTINI RICCARDO	Vice Chairman Vicarius
GIOACCHINI CORRADO	Director
MARCHETTI DANILO	Director
ROLDI ALBERTO	Director
FELICIANI FRANCO	Director
GIROLOMINI MAURIZIO	Director
MARRA LEONARDO	Director
TACCALITI STEFANO	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
CIVERCHIA FORTUNATO	Chairman
MORI BARBARA	Auditor
STROLOGO SERENA	Auditor

### ***Main Activities***

The Bank operates both on traditional and innovative banking activity, with respect to private clients and businesses through the sales network and virtual channels, with the support and coordination of the central services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

## ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Camerano over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	6,479	6,075	5,899
Gross Income (120)	8,378	8,012	7,988
Operating Expenses (200)	5,533	5,580	5,906
Net income (loss) from financial operations (140)	7,269	6,979	6,690
Net profit (loss) for the period (290)	1,241	951	379

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	1,778	2,039	1,834
Due from Banks (60)	6,356	28,614	12,796
Loans (70)	190,556	195,855	215,103
Bond and other securities (20+30+40)	61,233	49,760	50,660
Total Assets	266,731	280,913	287,806

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	10,739	9,566	12,576
Securities issued (30+40+50)	109,929	126,091	128,678
Shareholders' funds (130+140+150+160+170+180)	20,919	22,601	22,506
Total Liabilities	266,731	280,913	287,806

### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	5.93%	4.20%	1.65%
Net profit (loss) for the period/Gross Income	14.81%	11.87%	4.75%
Net Interest Income/Gross Income	77.33%	75.82%	73.84%
Share Capital/Loans	0.001%	0.001%	0.0008%
NPLs/Loans	0.1471%	0.1328%	0.12686%

## 2.25 BCC di Monastier e del Sile

### *Historical Background*

Banca di Monastier e del Sile Credito Cooperativo was founded in 1908 as “Cassa di prestiti e risparmio di Monastier di Treviso” and in 2000 merged with Cassa Rurale ed Artigiana di Casie, founded in 1960.

BCC Monastier is currently operating 29 branches. As of December 31st 2010, BCC Monastier had 246 employees.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors

Currently, the Board of Directors consists of 11 members as indicated in the table below:

Board of Directors	
Caverzan Donatello	Chairman
Zanchetta Riccardo	Vice Chairman Vicarius
Buscato Giancarlo	Director
Archiutti Denise	Director
Codato Giampaolo	Director
Donati Aldo	Director
Pellin Adriano	Director
Porcellato Giuseppe	Director
Tallon Nillo	Director
Zanatta Francesca	Director

Barbisan Antonio	Director
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The Board of Statutory Auditors is composed of the following:

Board of Statutory Auditors	
Vecchiato Paolo	Chairman
Malaguti Gianni	Auditor
Valentini Alessandro	Auditor

### ***Main Activities***

The bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Monastier over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	34,038	32,091	27,561
Gross Income (120)	44,564	42,955	41,904
Operating Expenses (200)	-24,719	-25,536	-25,867
Net income (loss) from financial operations (140)	39,342	32,840	30,781
Net profit (loss) for the period (290)	11,309	5,015	2,618



**Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	3,724	3,707	3,974
Due from Banks (60)	37,500	43,413	42,661
Loans (70)	1,201,435	1,261,353	1,306,525
Bond and other securities (20+30+40)	167,078	170,203	168,605
<b>Total Assets</b>	<b>1,440,819</b>	<b>1,515,614</b>	<b>1,555,818</b>

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	72,244	50,727	83,798
Securities issued (30+40+50)	675,251	656,551	641,329
Shareholders' funds (130+140+150+160+170+180)	111,591	123,903	124,407
<b>Total Liabilities</b>	<b>1,440,819</b>	<b>1,515,614</b>	<b>1,555,818</b>

**Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	9.20%	3.89%	2.06%
Net profit (loss) for the period/Gross Income	25.38%	11.68%	6.25%
Net Interest Income/Gross Income	79.16%	74.71%	65.77%
Share Capital/Loans	0.10%	0.10%	0.09%
NPLs/Loans	2.96%	4.38%	5.70%

**2.26 BCC Adige Po**

### ***Historical Background***

Cassa Rurale was established in 1894 in Cavazzana and, successively, in 1985 it was constitute in Luisa to promote the collection, the protection and equitable distribution of local savings.

On May 2006, the bank changed its name in “Banca Adige Po Credito Cooperativo Luisa”.

As of December 31st, 2010, the number of shareholders is equal to 1,818.

### ***Organisation***

The governing bodies are represented by the Board of Directors and the Board of Auditors

Currently, the Board of Directors consists of 10 members as indicated in the table below:

<b>Board of Directors</b>	
BARIN WALTER	Chairman
GASTALDELLO ARNALDO	Vice Chairman Vicarius
PIOLA BRUNETTO	Director
CESTARI RENATO	Director
ERMOLLI EMANUELE	Director
FERRETTO FEDERICO	Director
MAZZUCCATO STEFANO	Director
MANFREDINI ORLANDO	Director
MARASSI GIORGIO	Director
SCHIRO ANTONIO	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
PREVIATI ANDREA	Chairman
ANDRIOTTO ANDREA VITTORIO	Auditor
TOGNOLO IVAN	Auditor
DENTI ANDREA	Substitute Auditor
FRIGATO DARIO	Substitute Auditor

As of December 31st, 2010, the number of employees is equal to 75.

### **Main Activities**

The bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### **Financial Highlights**

The tables below set out the profits and losses and the assets of BCC Adige Po over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	9,343	7,016	7,414
Gross Income (120)	11,492	9,481	9,775
Operating Expenses (200)	- 4,655	-7,525	-8,484
Net income (loss) from financial operations (140)	7,715	8,644	6,595
Net profit (loss) for the period (290)	2,440	650	-1,731

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	1,579	1,558	1,780
Due from Banks (60)	7,044	15,373	7,506
Loans (70)	225,777	243,334	262,350
Bond and other securities (20+30+40)	40,674	38,520	33,118

Total Assets	285,460	311,160	318,410
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Liabilities (in thousand euro)	31 Dec 2008	31 Dec 2009	31 Dec 2010
Due to Banks (10)	3,576	4,012	4,092
Securities issued (30+40+50)	125,116	142,892	144,263
Shareholders' funds (130+140+150+160+170+180)	26,218	29,091	29,576
Total Liabilities	285,460	311,160	318,410

#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	9.31%	2.23%	-5.85%
Net profit (loss) for the period/Gross Income	21.23%	6.85%	17.71%
Net Interest Income/Gross Income	81.30%	74.00%	75.85%
Share Capital/Loans	0.12%	0.22%	0.34%
NPLs/Loans	4.77%	7.39%	8.86%

## 2.27 BCC Rovigo

### *Historical Background*

The bank has its origins from the large number of “Casse Rurali” that were formed in Polesine at the end of ‘800.

On May 30<sup>th</sup> 2009 the bank changed, after a few merger, the name in RovigoBanca Credito Cooperativo.

As of December 31<sup>st</sup> 2010 the bank has 4,830 shareholders and 199 employees.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors

Currently, the Board of Directors consists of 13 members as indicated in the table below:

<b>Board of Directors</b>	
Liviero Lorenzo	Chairman
Boldrin Edo	Vice Chairman
Zennaro Paolo	Vice Chairman
Fiocchi Ugo	Vice Chairman
Agujaro Andrea	Director
Bagatin Pier Luigi	Director
Borin Raffaele	Director
Fini Giuseppe	Director
La Terza Antonio	Director
Magosso Luigi	Director
Monti Giannetto	Director
Pezzuolo Ferdinando	Director
Streghetto Giovanni	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Cappello Alfredo	Chairman
Argentini Nicola	Auditor
Sichirolo Alberto	Auditor
Broccanello Vinicio	Substitute Auditor
Fusetto Andrea	Substitute Auditor

### ***Main Activities***

The Bank operates both on traditional and innovative banking activity and its customers are, prevalently, retail.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds.

## ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Rovigo over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	22,759	17,228	14,843
Gross Income (120)	26,740	25,145	22,250
Operating Expenses (200)	-21,196	-20,910	-20,533
Net income (loss) from financial operations (140)	23,633	22,374	18,236
Net profit (loss) for the period (290)	1,321	333	-2,501

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	3,079	3,038	3,147
Due from Banks (60)	57,943	43,853	47,561
Loans (70)	508,551	530,975	549,541
Bond and other securities (20+30+40)	135,422	173,378	167,290
Total Assets	723,640	779,571	789,377

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	10,424	589	46,780
Securities issued (30+40+50)	277,222	309,761	283,199
Shareholders' funds (130+140+150+160+170+180)	52,449	55,791	52,022
Total Liabilities	723,640	779,570	789,377

### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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R.O.E.	2.52%	0.60%	- 4.81%
Net profit (loss) for the period/Gross Income	4.94%	1.32%	-11.24%
Net Interest Income/Gross Income	85.11%	68.51%	66.71%
Share Capital/Loans	0.15%	0.15%	0.33%
NPLs/Loans	5.97%	9.28%	9.49%

## 2.28 BCC San Giorgio Quinto e Valle Agno

### *Historical Background*

“Banca San Giorgio e Valle Agno” was founded in 1896 as "Cassa Rurale di prestiti San Giorgio di Perlena" by the priest Don Gaetano Plebs along with other thirty-one members.

One purpose of these early members was to help concretely a compact community of small landowners, tenants and other farmers who were operating with limited economic opportunities.

Banca San Giorgio e Valle Agno”, further to approvation of the Bank of Italy and at the favorable decisions of extraordinary shareholders’ meeting and to signature of fusion act, is completing the merger with Banca Credito Cooperativo di Quinto Vicentino. The new name, after the merger, will be Banca San Giorgio Quinto Valle Agno – Credito Cooperativo – Società Cooperativa”. The merger comes into effect on January 01st 2012.

### *Organisation*

The governing bodies are represented by the Board of Directors and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

<b>Board of Directors</b>	
Ilario Novella	Chairman
Roberto Farina	Vice Chairman Vicarius
Loris Basso	Vice Chairman
Sergio Bassan	Director
Silvio Cerin	Director
Domenico Costa	Director
Villy Lorenzi	Director
Paolo Michelin	Director
Angelo Pavan	Director
Luigi Stevan	Director
Egidio Torresan	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Raffaele Bortoliero	Chairman
Enzo Pietro Drapelli	Auditor
Tarcisio Sartori	Auditor

### ***Main activities and future strategies***

In recent years, Banca San Giorgio e Valle Agno has greatly increased its business of customer services, expanding the range of products and matching more and more with the non-banking credit function.

In particular, we have close alliances with product companies and the cooperative movement and with other companies to provide benefits that would create real added value for the customer and the Bank. In this context the activity of today is accompanied, naturally, to customer satisfaction in a variety of needs related to the application for credit or savings products and services.

With a view to continuous improvement, in June of 2011, the Bank has passed a revision of the Quality Certification UNI EN ISO 9001:2000 certification obtained in 2003. BCC is the third in Italy in the Veneto region and the first to achieve this important goal.



## ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC San Giorgio e Valle Agno over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	23,803	21,597	20,187
Gross Income (120)	30,256	29,548	30,322
Operating Expenses (200)	- 19,364	- 19,729	- 20,376
Net income (loss) from financial operations (140)	24,704	22,699	23,436
Net profit (loss) for the period (290)			

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	3,272	3,045	3,385
Due from Banks (60)	22,264	31,737	32,256
Loans (70)	846,274	879,884	882,161
Bond and other securities (20+30+40)	71,674	49,007	65,969
Total Assets	961,895	984,979	1,005,455

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	8,511	9,828	18,613
Securities issued (30+40+50)	485,821	489,756	453,827
Shareholders' funds (130+140+150+160+170+180)	70,880	75,012	88,037
Total Liabilities	961,895	984,979	1,005,455

### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
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R.O.E.	4.94%	2.14%	1.73%
Net profit (loss) for the period/Gross Income	11.58%	5.44%	5.01%
Net Interest Income/Gross Income	78.67%	73.09%	66.58%
Share Capital/Loans	0.01%	0.01%	1.33%
NPLs/Loans	4.23%	8.55%	11.40%

The tables below set out the profits and losses and the assets of BCC Quinto Vicentino over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	4,781	3,990	3,476
Gross Income (120)	5,850	5,439	5,041
Operating Expenses (200)			
Net income (loss) from financial operations (140)	5,349	5,355	5,019
Net profit (loss) for the period (290)	501	201	30

#### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	975	1,119	1,162
Due from Banks (60)	5,713	6,348	11,152
Loans (70)	128,125	14,921	155,179
Bond and other securities (20+30+40)	26,541	27,993	22,795
Total Assets	164,326	186,875	196,475

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	7,052	3,552	2,249
Securities issued (30+40+50)	42,273	60,557	57,642
Shareholders' funds (130+140+150+160+170+180)	9,443	10,200	10,076

Total Liabilities	164,326	186,875	196,475
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#### Balance Sheet's Ratios

Ratios (%)	31 Dec 2008	31 Dec 2009	31 Dec 2010
R.O.E.	5.31%	1.97%	0.30%
Net profit (loss) for the period/Gross Income	8.57%	3.69%	0.60%
Net Interest Income/Gross Income	81.73%	73.37%	68.95%
Share Capital/Loans	0.08%	0.08%	0.08%
NPLs/Loans	2.67%	2.74%	2.51%

## 2.29 BCC Valdinevole

### *Historical Background*

“Credito Valdinevole” was created by through the incorporation into Banca di Credito Cooperativo Valdinevole” in “Banca di Credito Cooperativo di Bientina” in 2010.

The Bank considers the satisfaction of its members as a strategic goal, the center of its activities, intending to continue in this sense the corporate policies of those who have given birth to the new reality.

In this way, therefore, has to be considered the efforts to increase continuously the number of economic benefits and social initiatives that BCC offers to its members.

As of September 30th 2011, the number of shareholders is equal to 2,922.

### *Organisation*

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 11 members as indicated in the table below:

Board of Directors	
Alessandro Belloni	Chairman
Ezio Tonfoni	Vice Chairman Vicarius
Giuseppe Brini	Vice Chairman
Piergiovanni Buonamici	Director

Franco Bianchi	Director
Giovandomenico Caridi	Director
Paolo Galligani	Director
Piero Marchetti	Director
Valentino Pieri	Director
Stefano Silvestri	Director
Dino Sottani	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Alessandro Belloni	Chairman
Franco Bianchi	Director
Piero Marchetti	Director
Valentino Pieri	Director
Ezio Tonfoni	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Daniele Giovanni Giorgi	Chairman
Alessio Ciatti	Auditor
Simone Sartini	Auditor
Carlo Masini	Substitute Auditor
Alessandro Moretti	Substitute Auditor

As of September 30<sup>th</sup> 2011 the number of employees is equal to 154.

***Main Activities***

The bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

In the field of Finance, the Bank operates, on behalf of customers, on the various domestic and foreign markets for the execution of transactions in equities, bonds and derivatives.

### ***Financial Highlights***

The tables below set out the profits and losses and the assets of BCC Valdinievole over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	13,138	12,806	17,912
Gross Income (120)	15,179	16,743	24,889
Operating Expenses (200)	9,796	10,639	17,706
Net income (loss) from financial operations (140)	13,553	13,539	19,720
Net profit (loss) for the period (290)	3,074	2,043	879

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	2.200	2.184	3.035
Due from Banks (60)	11.295	12.058	19.516
Loans (70)	296.617	329.358	547.980
Bond and other securities (20+30+40)	70.143	84.406	101.754
Total Assets	407.444	450.703	714.558

<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	5.593	2.254	20.038
Securities issued (30+40+50)	139.846	160.816	291.169
Shareholders' funds (130+140+150+160+170+180)	43.674	48.445	57.920
<b>Total Liabilities</b>	<b>407.445</b>	<b>450.704</b>	<b>714.559</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	7,04%	4,22%	1,52%
Net profit (loss) for the period/Gross Income	20,25%	12,21%	3,53%
Net Interest Income/Gross Income	86,5%	76,4%	71,9%
Share Capital/Loans	14,7%	14,7%	10,5%
NPLs/Loans	4,66%	6,84%	10,75%

## **2.30 BCC Carate Brianza**

### *Historical Background*

The “BCC Carate Brianza” was founded in 1929 by Don Costante Mattavelli with the help of 28 employees. In 1949 the shareholder’s meeting approved a plan which provided, in addition to financial assistance for its members, an organizational assistance.

In the '80 years the bank expanded in the territory: in 1983 the branch was opened in Meda, on 1 July 1987 began his branch of Besana in Brianza.

The Bank considers the support and commitment in social activities as a strategic goals.

Actually, the bank has 4032 shareholders.

### *Organisation*

The governing bodies are represented by the Board of Directors, the Executive Committee and the Board of Auditors.

Currently, the Board of Directors consists of 9 members as indicated in the table below:

<b>Board of Directors</b>	
Colombo Annibale	Chairman
Cesana Ezio	Vice Chairman
Corbetta Matteo	Director
Frigerio Umberto	Director
Ghezzi Luca	Director
Oggioni Daniele	Director
Poltronieri Roberto	Director
Pozzi Fabio	Director
Pozzoli Luigi	Director

The Executive Committee is composed as indicated in the table below:

<b>Executive Committee</b>	
Colombo Annibale	Chairman
Oggioni Daniele	Vice Chairman
Cesana Ezio	Director
Frigerio Umberto	Director
Pozzi Fabio	Director

The Board of Statutory Auditors is composed of the following:

<b>Board of Statutory Auditors</b>	
Longoni Roberto	Chairman
Redaelli Ruggero	Auditor
Restori Giancarlo	Auditor
Beretta Rosario	Substitute Auditor
Brenna Pierluigi	Substitute Auditor

As of September 31<sup>st</sup> 2011 the number of employees is equal to 270.

### **Main Activities**

The bank operates in the traditional sectors of banking and the main categories of products sold are as banking, insurance, supplementary pension and financial products and related and instrumental services.

Regarding the Credit activity, the Bank grants ordinary credit facilities to individuals and companies with short, medium and long term life, finalized the elasticity of cash, receivables or on realization of the implementation of plans investment and restructuring.

The bank, in addition, releases surety against third parties, private, entities and also grants loans to companies in basis of agreements with “Enti e Consorzi Fidi” or in basis of laws and regulations on regional, national and EU level.

In addition, through Iccrea BancaImpresa, a subsidiary of ICCREA bank, the bank offers and signing contracts for leases.

### **Financial Highlights**

The tables below set out the profits and losses and the assets of BCC Carate Brianza over the past 3 years:

<b>Profit and Loss (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Net Interest Income (30)	43,608	36,672	37,312
Gross Income (120)	55,200	52,378	51,075
Operating Expenses (200)	- 33,081	- 34,568	- 35,936
Net income (loss) from financial operations (140)	50,968	46,503	45,310
Net profit (loss) for the period (290)	14,414	9,172	6,533

### **Balance sheet**

<b>Assets (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Cash and cash equivalent (10)	4,799	5,346	5,390
Due from Banks (60)	66,915	106,086	60,423
Loans (70)	1,194,177	1,283,061	1,389,675
Bond and other securities (20+30+40)	307,838	391,571	437,902
Total Assets	1,623,891	1,823,077	1,995,354



<b>Liabilities (in thousand euro)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
Due to Banks (10)	6,350	3,858	107,183
Securities issued (30+40+50)	581,041	681,634	673,831
Shareholders' funds (130+140+150+160+170+180)	193,194	211,353	212,951
<b>Total Liabilities</b>	<b>1,623,891</b>	<b>1,823,077</b>	<b>1,995,354</b>

#### **Balance Sheet's Ratios**

<b>Ratios (%)</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2010</b>
R.O.E.	6.94	4.16	2.98
Net profit (loss) for the period/Gross Income	26.112	17.511	12.791
Net Interest Income/Gross Income	79.00	70.01	73.05
Share Capital/Loans	0.15	0.18	0.20-
NPLs/Loans	1.42	1.62	1,80

## COMPLIANCE WITH ARTICLE 122A OF THE CRD

Each of the Originators has undertaken in the Intercreditor Agreement to the Issuer, the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) and to each other Originator that it will (i) retain, on an ongoing basis, a material net economic interest in the Transaction of not less than 5% (calculated for each Originator with respect to the Claims comprised in the relevant Portfolios which have been transferred to the Issuer) as referred to in article 122a(1)(d) of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time (the "**Capital Requirements Directive**" or the "**CRD**"), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

In particular, the Originators have undertaken that any of such information:

- (a) on the Issue Date, will be included in the following sections of the Prospectus "*The Portfolios*", "*Risk Factors*", "*Transaction Summary*", "*Collection Policy and Recovery Procedures*", "*Description of the Servicing and the Back-up Servicing 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, Delinquent Claims, Defaulted Claims, Late Payments 30 Claims, Late Payments 60 Claims and Late Payments 90 Claims; (ii) details relating to repurchases of Claims by each Servicer pursuant to the terms of the Servicing Agreement, (iii) details (provided, where relevant by the Computation Agent) with respect to the Interest Rate, Interest Amount, Principal Amount Outstanding of the Notes, principal payments on the Notes and other payments made by the Issuer, and (iv) information on the material net economic interest (of at least 5% calculated for each Originator with respect to the Claims comprise in the relevant Portfolio which have been transferred to the Issuer) in the Transaction maintained by the Originators in accordance with option (d) of Article 122a of the CRD or any permitted alternative method thereafter; (b) be generally available to the Noteholders and prospective investors at the offices of the Principal Paying Agent and the Irish Listing Agent and on the Computation Agent's web site currently located on <https://tss.sfs.db.com/investpublic/> (for the avoidance of doubt, such website does not constitute part of the Prospectus).
  - (ii) with reference to loan by loan information regarding each Mortgage Loan included in the Portfolios, be made available by each of the Originators, upon request;
  - (iii) with reference to the further information which from time to time may be deemed necessary under Article 122a of the CRD in accordance with the market practice and not covered under points (i) and (ii) above, will be each of provided, upon request, by the Originators.

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

## THE CASH MANAGER AND THE COMPUTATION AGENT

Deutsche Bank AG, London Branch ("**Deutsche Bank, London**") and Deutsche Bank S.p.A. ("**Deutsche Bank, Milan**") shall act respectively as Cash Manager and Computation Agent pursuant to the Cash Administration and Agency Agreement.

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank AG**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

The objects of Deutsche Bank AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude company-transfer agreements.

As of 30 September 2008, Deutsche Bank AG's issued share capital amounted to Euro 1,461,399,078.40 consisting of 570,859,015 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

The consolidated financial statements for fiscal years starting 1 January 007 are prepared in compliance with International Financial Reporting Standards (IFRS). As of 30 September 2008, Deutsche Bank Group had total assets of EUR 2,060,691 million, total liabilities of EUR 2,024,063 million and total equity of EUR 36,628 million on the basis of IFRS (unaudited).

Deutsche Bank AG is long-term senior debt has been assigned a rating of A+ (outlook stable) by Standard & Poor's, Aa1 (outlook negative) by Moody's Investors Services and AA- (outlook negative) by Fitch Ratings.

"**Deutsche Bank S.p.A.**" ("**Deutsche Bank, Milan**") is a bank incorporated as a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy. It is registered with the companies' register of Milan under No. 01340740156 and registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 3104.7. Deutsche Bank S.p.A. belongs to the Gruppo Deutsche Bank registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Banking Act under No. 3104.7 and its registered office is situated at Piazza del Calendario 3, 20126 Milan, Italy.

"**Deutsche Bank AG London**" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

The information contained hereinabove relates to and has been obtained, respectively, from Deutsche Bank AG, Deutsche Bank, London and Deutsche Bank, Milan. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Deutsche Bank AG, Deutsche Bank, London or Deutsche Bank, Milan 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, Deutsche Bank, Milan 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 and Single Series Class B Notes Interest Payment Amount*) and Condition 6.7 (*Principal Payments and Principal Amount Outstanding*) and under the Cash Administration and Agency Agreement.

In addition, pursuant to Clause 13 of the Cash Administration and Agency Agreement, on one hand, each of the Cash Manager and the Computation may resign its appointment upon not less than 90 (ninety) days' notice to the Issuer provided certain conditions; on the other hand, the Issuer may revoke the appointment of the Cash Manager and the Computation Agent by giving not less than 60 (sixty) days' notice, provided however that, 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 each of the Cash Manager and the Computation Agent shall terminate forthwith if (a) it becomes incapable of acting also in light of the provision of article 2, sixth paragraph of the Securitisation Law; or (b) it becomes unable to pay its debts as they fall due; or (c) it takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or (d) an order is made or an effective resolution is passed for its winding-up; or (e) any event occurs which has an analogous effect to any of the foregoing; or (f) or in any case of just cause (*giusta causa*).

In the event that (i) either the Cash Manager or the Computation Agent gives notice of its resignation in accordance with Clause 13.1 of the Cash Administration and Agency Agreement and (ii) the Issuer revokes its appointment in accordance with Clause 13.2, by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with Clause 13.4, the resigning agent may itself, following such consultation with the Issuer and the Representative of the Noteholders as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution, 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 this Agreement.

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

## THE BACK-UP SERVICER FACILITATOR

**Zenith Service S.p.A.**, ("**Zenith**") a joint stock company (*società per azioni*), incorporated and organised under the laws of the Republic of Italy, with registered office at Via Guidubaldo Del Monte 61, 00197 - Rome, enrolled with the Companies Registrar of Rome under No. 02200990980, in the general register of financial intermediaries held by the Bank of Italy pursuant to Article 106 of the Banking Act under number 32819, in the special register of financial intermediaries held by the Bank of Italy pursuant to Article 107 of the Banking Act and with a share capital of Euro 1,525,000.

Under the Intercreditor Agreement, Zenith has undertaken in any case it is necessary, pursuant to the Servicing Agreement and/or the Back-up Servicing Agreement, (i) to appoint a new Back-up Servicer or a *Sostituto del Servicer* (as defined in the Back-up Servicer Agreement): (ii) to use its best efforts to select an entity to be appointed as Back-up Servicer or *Sostituto del Servicer*, as the case may be; and (iii) to cooperate with the relevant Servicer, the Issuer and/or ICCREA Banca, as the case may be, for the appointment of such Back-up Servicer or *Sostituto del Servicer*.

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

## **COLLECTION POLICY AND RECOVERY PROCEDURES**

### **1. CREDIT POLICY**

Although each Originator has its own characteristics and procedures for the administration of its banking activity, it is possible to give a general overview of the credit policy - origination and risk management - based on the factors common to the thirty Originators.

The common credit policy concerning the origination of the loans can be divided into:

- (i) a general preliminary phase;
- (ii) a specific origination phase;
- (iii) an administrative phase; and
- (iv) a decisional phase.

The preliminary phase includes all the activities necessary to learn and understand the customers' needs. This activity of origination is carried out, with different procedures, by each Originator.

The credit process is made up of different stages, some of which are common to all types of loans, whilst others are specific according to the type of loan.

The origination of the loans is carried out in constant contact with the customer. An initial interview with the customer is carried out to identify the customer's particular financial needs and to offer the best financial product (type of loan, amount, maturity, form). Once an agreement is reached with the customer on a specific product, the customer fills in an application form generally at the branch and then is required to submit all the documents necessary for the loan.

During the evaluation process of the loan request several inquiries are carried out such as:

- (i) analysis of the banking relationship with the customer;
- (ii) analysis of the customer's assets and its financial situation;
- (iii) analysis of the business sector in which the customer operates;
- (iv) analysis of the guarantees given by the customer and analyses if they are appropriate for the loan required;
- (v) if considered necessary, the analysis may be extended to the family of the customer.

The evaluation is made to verify the customer's earning capacity, financial stability and financial ability to repay the loan in order to decide whether the customer is creditworthy.

Other interviews with the customer will follow during the origination phase, leading to the registration of the customer's data on the Originator's database, the opening of current accounts in his/her name and the acquisition of the customer's signature on the application form.

The lending activity is assigned to the risk management committee, as each Originator's branch has limited decisional powers. The lending decision is ultimately based on the analysis of the customer's credit worthiness.

All the Originators implement a subdivision of responsibility between the department in charge of the credit origination and proposal (the branches) and the bodies that authorise the financing (head office). The centralisation of lending decisions is intended to build up uniform assessment and evaluation methods.

## **2. RISK MANAGEMENT**

The following is a general overview of the common structures and procedures of the banks.

In every Originator there are two levels of control which can be recognised: primary or ordinary controls and higher or extraordinary controls.

The responsibility of the different levels of control is strictly separate, as the primary controls are carried out by the organisational structures known as "in-line offices" (branches, credit department, *etc.*) while the extraordinary controls are carried out by central structures known as "staff offices" (legal department, risk controller, risk management committee, *etc.*).

All the risk management activities are fully supported electronically and fully automatic through EDP systems. EDP transmissions with codified information between branches and their respective head-office are continuous and telephone contact is ensured.

All the Originators base their activity on a regular system of written reports, thus providing immediate communication to the management on the relevance of all problem loans.

The Originators issue a series of verbal and written reminders before involving their respective legal departments. The first contact after the first overdue instalment is generally made by the branch in a personal, courteous way. If no positive answer is received from the customer and according to the importance of the risk position, a second reminder is made either by the branch or by the head office. A last reminder is generally sent by the head office before the full involvement of the legal department.

For the monitoring the loans the Originators take into consideration both subjective elements (professional valuers' valuations of the customer's assets and of the property guaranteeing the loan; direct knowledge) and objective elements (balance sheet analysis, analysis of the banking relationship, payment anomalies)

In particular, problem loans with payment anomalies are kept under stricter monitoring and are classified on the basis of the following criteria:

"Watch List": when there are serious anomalies but it is assumed that the relevant relationship will go back to regularity and there is no need of special activity;

"Delinquent": a loan extended to a customer who is experiencing temporary financial difficulties and which it is foreseen it will overcome within a certain period of time, with no need of going through a credit recovery proceeding but subject to close scrutiny;

"Non-performing": when the customer is a state of insolvency, even if not ascertained, for which a legal proceeding has been commenced or is in severe financial distress.

The board of directors or eventually the general management decides whether the loan should be registered either as a delinquent or as a defaulted loan.

### **3. CREDIT RECOVERY POLICY**

The credit recovery activities of all the BCC's are assigned to an external legal counsel which remains in constant contact with the bank's legal department or the relevant department. Both the external counsel and the legal department are directly involved in any legal action. The departments involved submit periodic reports to the general management and/or the board of directors on the status of credit recovery activities.

The close working relationship between the branches and the external advisors results in promptness and persistence in following up on this activity.



## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes, being Euro 1,582,456,000 of which Euro 1,333,200,000 of the Class A Notes, and Euro 249,256,000 of the Class B Notes will be applied by the Issuer on the Issue Date to finance the Purchase Price of the Portfolios, to pay certain initial costs of the Transaction and to credit the Retention Amount into the Expenses Account, and an amount equal to the difference between each Issue Price and the purchase price to be paid by the Issuer to the relevant Subscriber pursuant to the relevant Transfer Agreement, as indicated in the Subscription Agreement, shall be credited by each Subscriber on the relevant Cash Reserve Account and used in accordance with the Cash Administration and Agency Agreement.

## 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 at the Specified Office of 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 30 transfer agreements, each entered into between the Issuer and an Originator on 23 April 2012 (the "**Transfer Agreements**"), each of the Originators sold for consideration to the Issuer without recourse (*pro soluto*) and as a pool (*in blocco*) a portfolio of monetary claims (each a "**Portfolio**") and connected rights arising out of the relevant mortgage loans (the "**Claims**" and "**Mortgage Loans**" respectively) granted by the Originators to their customers (the "**Borrowers**") with economic effect as of the Effective Date; the Portfolio sold by Banca Romagna Cooperativa is referred to as Portfolio No. 1, the Portfolio sold by BCC di Forlì is referred to as Portfolio No. 2, the Portfolio sold by Banca della Marca is referred to as Portfolio No. 3, the Portfolio sold by BCC Trevigiano is referred to as Portfolio No. 4, the Portfolio sold by BCC CentroMarca is referred to as Portfolio No. 5, the Portfolio sold by BCC di Anghiari is referred to as Portfolio No. 6, the Portfolio sold by BCC del Valdarno is referred to as Portfolio No. 7, the Portfolio sold by BCC Vicentino is referred to as Portfolio No. 8, the Portfolio sold by CRA di Brendola is referred to as Portfolio No. 9, the Portfolio sold by BCC di Alba is referred to as Portfolio No. 10, the Portfolio sold by Banca di Pistoia is referred to as Portfolio No. 11, the Portfolio sold by BCC di Campiglia dei Berici is referred to as Portfolio No. 12, the Portfolio sold by BCC Crediveneto is referred to as Portfolio No. 13, the Portfolio sold by CrediUmbria BCC is referred to as Portfolio No. 14, the Portfolio sold by BCC Pompiano e Franciacorta is referred to as Portfolio No. 15, the Portfolio sold by Banca Adige Po is referred to as Portfolio No. 16, the Portfolio sold by BCC di Ancona is referred to as Portfolio No. 17, the Portfolio sold by BCC di Bedizzole T.V. is referred to as Portfolio No. 18, the Portfolio sold by BCC di Ostra e Morro d'Alba is referred to as Portfolio No. 19, the Portfolio sold by BCC Adda e Cremasco is referred to as Portfolio No. 20, the Portfolio sold by Banca San Biagio del Veneto Orientale is referred to as Portfolio No. 21, the Portfolio sold by BCC di Gatteo is referred to as Portfolio No. 22, the Portfolio sold by Romagna Est BCC is referred to as Portfolio No. 23, the Portfolio sold by BCC Camerano is referred to as Portfolio No. 24, the Portfolio sold by BCC di Monastier is referred to as Portfolio No. 25, the Portfolio sold by RovigoBanca is referred to as Portfolio No. 26, the Portfolio sold by Banca San Giorgio Quinto Valle Agno is referred to as Portfolio No. 27, the Portfolio sold by BCC Valdinievole is referred to as Portfolio No. 28, the Portfolio sold by BCC di Carate Brianza is referred to as Portfolio No. 29, and the Portfolio sold by BCC Malatestiana is referred to as Portfolio No. 30.

Under clause 7.2 of the Transfer Agreements, each Originator has undertaken to deliver on the date of the entering into of such agreements: (a) a certificate issued by the competent Register of Enterprises stating that no insolvency proceedings are pending against each Originator dated not earlier than 10 Business Days before the date of the entering into of the relevant Transfer Agreement; (b) a solvency certificate signed by the legal representative or a director of the Originator dated not earlier than 5 Business Days before the date of the entering into of the relevant Transfer Agreement; and, except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also (c) a solvency certificate issued by the bankruptcy court (*tribunale fallimentare*) stating that no insolvency proceedings are pending against such Originator, dated not earlier than 10 Business Days before the date of the entering into of the relevant Transfer Agreement.

### 1. THE PURCHASE PRICE

As consideration for the acquisition of the Claims pursuant to the Transfer Agreements, the

Issuer has undertaken to pay to: Banca Romagna Cooperativa a price equal to Euro 36,668,027.69, BCC di Forlì a price equal to Euro 38,440,427.09, Banca della Marca a price equal to Euro 143,115,057.12, BCC Trevigiano a price equal to Euro 112,510,896.27, BCC CentroMarca a price equal to Euro 47,549,128.11, BCC di Anghiari a price equal to Euro 25,907,243.18, BCC del Valdarno a price equal to Euro 21,112,968.28, BCC Vicentino a price equal to Euro 29,531,375.89, CRA di Brendola a price equal to Euro 70,551,732.37, BCC di Alba a price equal to Euro 92,576,557.37, Banca di Pistoia a price equal to Euro 30,084,166.27, BCC di Campiglia dei Berici a price equal to Euro 14,010,575.10, BCC Crediveneto a price equal to Euro 34,275,679.58, CrediUmbria BCC a price equal to Euro 33,450,032.73, BCC Pompiano e Franciacorta a price equal to Euro 104,603,491.73, Banca Adige Po a price equal to Euro 18,774,301.58, BCC di Ancona a price equal to Euro 15,582,472.62, BCC di Bedizzole T.V. a price equal to Euro 18,507,237.84, BCC di Ostra e Morro d'Alba a price equal to Euro 9,885,062.95, BCC Adda e Cremasco a price equal to Euro 33,050,222.62, Banca San Biagio del Veneto Orientale a price equal to Euro 65,113,193.09, BCC di Gatteo a price equal to Euro 23,671,364.09, Romagna Est BCC a price equal to Euro 46,160,267.02, BCC Camerano a price equal to Euro 16,689,093.61, BCC di Monastier a price equal to Euro 158,276,456.37, RovigoBanca a price equal to Euro 50,095,763.81, Banca San Giorgio Quinto Valle Agno a price equal to Euro 75,344,673.07, BCC Valdinievole a price equal to Euro 35,574,731.47, BCC di Carate Brianza a price equal to Euro 98,240,922.18, and BCC Malatestiana a price equal to Euro 83,085,846.76 (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.

## 2. 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*".

## 3. 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, 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 the case may be.

In the case of a Claim which does not meet the Criteria, the Purchase Price shall be decreased by an amount equal to (i) the part of the Purchase Price which has been paid for such Claim; plus (ii) any accrued interest on such amount as at the Payment Date immediately following the date such amount is credited as referred to in point (i) above, calculated at an annual rate equal to the average weighted interest rate applied to the Notes at the Issue Date (inclusive) until the Payment Date following the date on which the Issuer shall be paid the part of the Purchase Price which has been paid for such Claim; less (iii) the aggregate of all sums recovered and collected by the Issuer in respect of such Claim after the Transfer Date.

In the case of a Claim which meets the Criteria but was not included in the relevant Transfer Agreement, the Purchase Price shall be increased by an amount equal to (i) the purchase price which would have been payable for such Claim pursuant to the relevant Transfer Agreement;

less (ii) the aggregate of all sums recovered and collected by the Originators in respect of such Claim after the Transfer Date.

#### **4. APPLICABLE LAW AND JURISDICTION**

The Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements 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 Transfer Agreements and all non contractual obligations arising out or in connection with the Transfer Agreements, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, 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 at the Specified Office of 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 23 April 2012 between the Issuer and the Originators (the "**Warranty and Indemnity Agreement**"), the Originators gave certain representations and warranties as to, *inter alia*, the Claims they transferred pursuant to the 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.

### 1. 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:

#### 1.1 General

- (a) it is a co-operative credit bank (*banca di credito cooperativo*) duly incorporated as a *società per azioni* and validly existing under the laws of the Republic of Italy;
- (b) it has full corporate power and authority to enter into and perform the obligations undertaken by it under the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and it has taken all necessary actions whatsoever required to authorise its entry into, delivery and performance of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents and the terms thereof, including, without limitation, the sale and assignment of the Claims;
- (c) the execution, delivery and performance by it of the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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;
- (d) provisions of the Warranty and Indemnity Agreement are legal, valid and binding and are enforceable against it in accordance with its terms; and its payment obligations under the Warranty and Indemnity Agreement constitute claims against it which rank

at least *pari passu* with the claims of all other unsecured creditors under the laws of the Republic of Italy apart from any preferential creditors under any applicable insolvency laws or similar legislation;

- (e) there is no litigation, current, pending or threatened against it, nor has any action or administrative proceeding of or before any court or agency been started or threatened against it, which might or could materially affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (f) it is solvent and there is no fact or matter which might render it insolvent or subject to any insolvency proceedings, nor will it be rendered insolvent as a consequence of entering into the Warranty and Indemnity Agreement or the other Transaction Documents to which it is a party or of performing any of the obligations herein or therein contained;
- (g) since 31 December 2010 there has been no material adverse change in its financial or operative condition which would adversely affect its ability to observe and perform its obligations under the Warranty and Indemnity Agreement and the other Transaction Documents to which it is a party;
- (h) the information relating to itself (including, without limitation, information with respect to its mortgage loan business), the Claims and the Mortgage Loans supplied to the Issuer is true and correct in all material respects.

## **1.2 The Claims and the Mortgage Loans**

- (a) it holds sole and unencumbered legal title to the Claims, the Mortgage Loans and the Mortgages; 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 Mortgage Loans and the Mortgages;
- (b) the Claims, the Mortgage Loans and the Mortgages are governed by Italian law and are legal, valid, binding and enforceable under the same and in particular the Mortgage Loans comply with all rules and regulations on (i) compounding of interests, (ii) consumer protection, (iii) the prevention of usury, and (iv) data protection and privacy protection; the Mortgage Loans have been executed as a public deed (*atto pubblico*) before a notary public (*notaio*);
- (c) each Loan has been fully disbursed to or to the account of the relevant Borrower and there is no obligation on its part to advance or disburse further amounts in connection therewith;
- (d) 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 Mortgage Loans;
- (e) the Claims have been selected by it on the basis of the General Criteria and the Specific Criteria so as to constitute portfolios of homogeneous rights within the meaning and for the purposes of Law 130;
- (f) 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 Mortgage 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 Mortgage Loans or for the validity and enforceability of the Claims, the Mortgage Loans and/or the Mortgages have been duly paid;

- (g) the insurance policies in relation to the Claims are valid and effective and are held for the benefit of the relevant Originator;
- (h) it has maintained complete, proper and up-to-date books, records and documents for the Claims, the Mortgage Loans and the Mortgages and all other amounts paid thereunder, and all such books and documents are kept in its possession or are held to its order;
- (i) to the knowledge of each of Banca Romagna Cooperativa, BCC di Forlì, Banca della Marca, BCC Trevigiano, BCC CentroMarca, BCC di Anghiari, BCC del Valdarno, BCC Vicentino, CRA di Brendola, BCC di Alba, Banca di Pistoia, BCC di Campiglia dei Berici, BCC Crediveneto, CrediUmbria BCC, BCC Pompiano e Franciacorta, Banca Adige Po, BCC di Ancona, BCC di Bedizzole T.V., BCC di Ostra e Morro d'Alba, BCC Adda e Cremasco, Banca San Biagio del Veneto Orientale, BCC di Gatteo, Romagna Est BCC, BCC Camerano, BCC di Monastier, RovigoBanca, Banca San Giorgio Quinto Valle Agno, BCC Valdinievole, BCC di Carate Brianza and BCC Malatestiana, respectively not less than 90.44%, 79.09%, 88.53%, 90.10%, 88.89%, 91.84%, 98.56%, 88.42%, 99.27%, 86.91%, 97.86%, 86.45%, 99.60%, 80.88%, 92.18%, 83.39%, 99.38%, 100.00%, 96.86%, 100.00%, 88.97%, 81.26%, 90.35%, 100.00%, 89.19%, 93.12%, 96.30%, 79.34%, 93.32% and 98.18% of the relevant Mortgage Loan Agreements (with respect to the relevant amount) have been entered into with Borrowers not subject to the provisions of the Bankruptcy Law;
- (j) Real Estate Assets are located in Italy and have been wholly built;
- (k) each of the Real Estate Assets complies with applicable laws, rules and regulations concerning health and safety and environmental protection;
- (l) 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;
- (m) each of the Mortgage Loans is secured by a mortgage on a residential real estate asset (which fall in the cadastral category (*categoria catastale*) comprised between "Group A1 – A9");
- (n) each of the Real Estate Assets is duly registered with the competent land registry; meets the legal requirements for *agibilità*; and complies with all applicable laws and regulations;
- (o) no Mortgage Loan could be classified as structured loan, syndicated loan or leveraged loan pursuant to the Decision of the European Central Bank of 14 December 2011, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;
- (p) the Mortgage Loans does not include at the the signing date of the Warranty and Indemnity Agreement and will not include at the Issue Date, non performing loans pursuant to the Decision of the European Central Bank of 14 December 2011, on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral;
- (q) no Mortgage Loan Agreement could be classified as leasing agreement.

## 2. UNDERTAKINGS OF THE ORIGINATORS

Under the Warranty and Indemnity Agreement, each Originator has undertaken, with respect to itself, the relevant Claims and the respective Mortgage 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 Mortgage 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 Mortgage Loans;
- (c) not to instruct any Borrower or guarantor to make any payment with respect to any of the Claims otherwise than as provided for in the Mortgage Loans or as instructed in writing by itself as Servicer of such Claims;
- (d) otherwise than in its capacity as Servicer in accordance with the relevant provisions of the Servicing Agreement, not to take any action likely to cause or permit any of the Claims to become invalid or diminish their respective rights;
- (e) to co-operate with the Issuer to perform any and all acts, carry out any and all actions, and execute any and all documents as the Issuer may reasonably deem necessary in connection with the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing Agreement and the other Transaction Documents;
- (f) to comply fully and in a timely manner with and observe any and all provisions, covenants and other terms to be complied with, insofar as necessary in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims;
- (g) to assist and fully co-operate with the Issuer in any due diligence relating to the Claims which the Issuer may wish to carry out after the date of the Warranty and Indemnity Agreement;
- (h) to maintain in good status and order, accurate, complete and up-to-date accounts, books, records and documents relating to the Claims, the Mortgage 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 Mortgage 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, the relevant Transfer Agreement, the Servicing 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 Mortgage 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;
- (m) to assist and support the Issuer or its nominee in the development of adequate data reporting systems concerning the Claims by transferring to the Issuer books, records and documents which may be useful or relevant for implementing a data reporting system which would allow the Issuer to achieve full compliance with all applicable laws and regulatory reporting regulations and requirements.

### **3. INDEMNITY**

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

- (a) the reliance on any representation or warranty made by it to the Issuer under or in connection with the Warranty and Indemnity Agreement, the relevant Transfer Agreement, the Servicing 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, the relevant Transfer Agreement, the Servicing 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 Mortgage Loans, the Mortgages, the Real Estate Assets and the relevant insurance policies;
- (c) the failure to vest in the Issuer all rights, title and interest in and the benefit of each Claim pursuant to the terms of the relevant Transfer Agreement, free and clear of any adverse claim;
- (d) any dispute, claim or defence (other than discharge in bankruptcy or winding up by reason of insolvency or similar event) of the Borrowers or the guarantors 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 Mortgage Loans or under or pursuant to any contract, deed, document, action, event or circumstance.

### **4. USURY**

Under the Warranty and Indemnity Agreement, each of the Originators represented to the Issuer that the interest rates of the Mortgage 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.

## **5. APPLICABLE LAW AND JURISDICTION**

The Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity 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 Warranty and Indemnity Agreement and all non contractual obligations arising out or in connection with the Warranty and Indemnity Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## DESCRIPTION OF THE SERVICING AND THE BACK-UP SERVICING AGREEMENTS

*The description of the Servicing Agreement set out below is a summary of certain features of the Servicing Agreement and is qualified in its entirety by reference to the detailed provisions of the Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement upon request at the registered offices of the Representative of the Noteholders and at the Specified Office of 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 Servicing Agreement.*

Under a servicing agreement entered into on 23 April 2012 between the Issuer and the Originators (the "**Servicing Agreement**"), each of the Originators (in such capacity, the "**Servicers**" and each a "**Servicer**") agreed to administer and service the Portfolio 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 Defaulted Claims (the "**Management of the Defaulted Claims**"); each of the Servicers has undertaken to perform such services with respect to the Portfolio which it has sold to the Issuer under the relevant Transfer Agreement and therefore as follows: Banca Romagna Cooperativa with respect to Portfolio No. 1, BCC di Forlì with respect to Portfolio No. 2, Banca della Marca with respect to Portfolio No. 3, BCC Trevigiano with respect to Portfolio No. 4, BCC CentroMarca with respect to Portfolio No. 5, BCC di Anghiari with respect to Portfolio No. 6, BCC del Valdarno with respect to Portfolio No. 7, BCC Vicentino with respect to Portfolio No. 8, CRA di Brendola with respect to Portfolio No. 9, BCC di Alba with respect to Portfolio No. 10, Banca di Pistoia with respect to Portfolio No. 11, BCC di Campiglia dei Berici with respect to Portfolio No. 12, BCC Crediveneto with respect to Portfolio No. 13, CrediUmbria BCC with respect to Portfolio No. 14, BCC Pompiano e Franciacorta with respect to Portfolio No. 15, Banca Adige Po with respect to Portfolio No. 16, BCC di Ancona with respect to Portfolio No. 17, BCC di Bedizzole T.V. with respect to Portfolio No. 18, BCC di Ostra e Morro d'Alba with respect to Portfolio No. 19, BCC Adda e Cremasco with respect to Portfolio No. 20, Banca San Biagio del Veneto Orientale with respect to Portfolio No. 21, BCC di Gatteo with respect to Portfolio No. 22, Romagna Est BCC with respect to Portfolio No. 23, BCC Camerano with respect to Portfolio No. 24, BCC di Monastier with respect to Portfolio No. 25, RovigoBanca with respect to Portfolio No. 26, Banca San Giorgio Quinto Valle Agno with respect to Portfolio No. 27, BCC di Valdinievole with respect to Portfolio No. 28, BCC di Carate Brianza with respect to Portfolio No. 29 and BCC Malatestiana with respect to Portfolio No. 30.

Pursuant to the Servicing Agreement, the Servicer shall comply with certain collection policies specified in the Servicing Agreement (the "**Collection Policy**") in relation to the collection and recovery activities carried out on behalf of the Issuer and shall provide, *inter alia*, the Issuer with monthly and quarterly reports (the "**Monthly Servicing Report**" and the "**Quarterly Servicing Report**"). The Servicers shall also ensure that the Collections do not include usurious interest in accordance with the anti-usury laws and regulations applicable from time to time. The Servicers shall be entitled to settle and renegotiate the Claims only in accordance with the Servicing Agreement and specifically each Servicer, in respect of its Relevant Portfolio, has been empowered by the Issuer to, *inter alia*, modify the amortisation plans, grant suspension of payments, agree to restrictions or reductions of mortgages, waive principal payments in respect of Defaulted Claims, agree to the switch from floating to fixed of the interest rate applicable to the Mortgage Loans, waive the floor rate applicable to the Mortgage Loans, reduce the interest rate applicable to the Mortgage Loans, in each case within the limits set forth in the Servicing Agreement

In addition in order to consent the Originator to keep good relationships with the Borrowers, as an alternative to the power to renegotiate the Mortgage Loans, the Servicers have been given the power to make offers to repurchase Claims whose outstanding amount as of the Effective Date plus the outstanding amount of the Claims object of other preceding offers already accepted by the Issuer (i) is not higher than the 8% of the outstanding principal amount of the Claims of the Relevant Portfolio as

of the Effective Date (other than where a duty of renegotiation is imposed by law); (ii) is not higher than, for each Collection Period, the 0.5% of the outstanding principal amount of the Claims of the Relevant Portfolio as of the Effective Date. The Issuer shall accept such offer or provide reasonable justifications if it does not so accept.

Each of the Servicers shall give order to pay all collections received by it in respect of the relevant Portfolio (the "**Collections**") into the relevant Transitory Collections and Recoveries Account on the Business Day immediately following the date of receipt. The Servicer will convert any non-cash Collections received by it (the "**Recoveries**") into equivalent amounts of cash and will credit such cash to the relevant Transitory Collections and Recoveries Account.

The Servicer 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.

## **1. 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 Defaulted Claims with respect to the relevant Portfolio. Each Servicer 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 the Information Technology Services Provider shall be borne by the Servicer and the Issuer shall not be liable for any payment of whatever nature to the Information Technology Services Provider. Each Servicer may terminate the appointment of the Information Technology Services Provider and appoint a suitable replacement information technology services provider which is an Authorised Company, provided that such replacement will not adversely affect the ratings of the Notes and the service will be granted without interruption because of such replacement.

## **2. FEES AND EXPENSES**

As consideration for the services provided by the Servicer, the Issuer will pay to each of the Servicers on each Payment Date:

- (a) as compensation for the Administration of the relevant Portfolio for the Collection Period immediately preceding such Payment Date, a fee of the Relevant Portfolio equal to 0.3% on an annual basis of the Outstanding Principal of the Claims as at the Collection Date immediately preceding such Collection Period; and
- (b) as compensation for the Management of the Defaulted Claims, a fee equal to 6% of the aggregate of the Collections and Recoveries in respect of the Defaulted Claims of the Relevant Portfolio in the Collection Period immediately preceding such Payment Date,

((a) and (b) are collectively the "**Servicing Fee**").

Each Servicer has expressly waived its rights to compensation or reimbursement 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 and Recoveries or any other amount owed by the Servicer to the Issuer, except for those amounts paid to the Issuer and undue.

## **3. UNDERTAKINGS 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*:

- (a) to carry out the Administration of the relevant Portfolio and the Management of the Defaulted Claims with due skill and care in accordance with the relevant Collection Policy and with all applicable laws and regulations;
- (b) to maintain an effective system of general and accounting controls so as to ensure the performance of its obligations under the Servicing Agreement;
- (c) save as otherwise provided in the Collection 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;
- (d) to ensure adequate identification and segregation of the collections and recoveries and other amounts related to the Claims from all other funds of the Servicers;
- (e) to ensure that the Transaction is consistent with the law and this Prospectus;
- (f) to comply with all authorisations, approvals, licenses and consents required for the fulfilment of its obligations under the Servicing Agreement.

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 the 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 Defaulted Claims, 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 it to be performed by third parties in the name and on behalf of the Servicers.

#### **4. TERMINATION OF APPOINTMENT**

The Issuer may revoke the appointment any of the Servicers in certain circumstances including, *inter alia*, (i) the insolvency of any of the Servicer, (ii) a breach of the Servicing Agreement which remains unremedied for a period of longer than 10 (ten) days after a written demand of compliance sent by the Issuer and/or the Representative of the Noteholders, and (iii) a failure by such Servicer to pay or transfer to the Issuer any amount due which remains unremedied for more than 10 (ten) days after the relevant statutory request of payment. In addition, such Servicer may resign at any time after 2 years from the Transfer Date upon giving 12 months prior written notice, provided that either the Back-up Servicer is ready for operating or such Servicer has found a suitable replacement servicer acceptable to the Issuer and the Representative of the Noteholders on substantially the same terms as those contained in the Servicing Agreement.

#### **5. APPLICABLE LAW AND JURISDICTION**

The Servicing Agreement and all non contractual obligations arising out or in connection with the Servicing 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 Servicing Agreement and all non contractual obligations arising out of or in connection with the Servicing Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## **6. BACK-UP SERVICING AGREEMENT**

Under a back-up servicing agreement between the Issuer and ICCREA Banca (the "**Back-up Servicing Agreement**") entered into on or prior to the Issue Date, ICCREA Banca has committed itself, should any of the Servicers cease to act as servicer of the relevant Portfolio, to service such Portfolio on the same terms as are provided for in the Servicing Agreement, provided that the Back-up Servicer shall not act as servicer of the relevant Portfolio if the Servicers cease to act as such following expiration, or termination due to termination of the Transfer Agreements, of the Servicing Agreement.

In addition, under the Back Up Servicing Agreement, ICCREA Banca has undertaken to prepare a simplified servicing report in case the Servicers fail to deliver their Quarterly Servicing Report.

The Back-up Servicing Agreement and all non contractual obligations arising out of or in connection with the Back-up Servicing 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 Back-up Servicing Agreement and all non contractual obligations arising out of or in connection with the Back-up Servicing Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, 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 at the Specified Office of 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.*

### 1. THE CORPORATE SERVICES AGREEMENT

Under a corporate services agreement to be 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 shareholders, directors and auditors (if any) and the meetings of the Noteholders, maintaining the quotaholders' register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders.

The Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement 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 Corporate Services Agreement and all non contractual obligations arising out or in connection with the Corporate Services Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

### 2. THE STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to a Stichting corporate services agreement dated on or prior to the Issue Date between the Issuer, Wilmington Trust, the Representative of the Noteholders and the Quotaholder (the "**Stichting Corporate Services Agreement**"), the Stichting Corporate Services Provider has agreed to provide certain management, administrative and secretarial services to the Quotaholder.

The Stichting Corporate Services Agreement will be governed by and construed in accordance with Dutch law.

### 3. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer, the Representative of the Noteholders (on behalf of the Noteholders and for itself) and the Other Issuer Creditors will enter into the Intercreditor Agreement.

The Intercreditor Agreement provides for, inter alia, the order of priority of payments to be made from the Single Portfolio Available Funds or the Issuer Available Funds, as the case may be, as set forth in Condition 4 (*Orders of Priority*).

The obligations owed by the Issuer to each Noteholder and to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors will have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Conditions, the Intercreditor Agreement

and the other Transaction Documents

Under the terms of the Intercreditor Agreement, the Noteholders and each of the Other Issuer Creditors irrevocably consented and agreed that, upon the delivery of a Trigger Notice following the occurrence of a Trigger Event, the Representative of the Noteholders will be authorised to exercise, in the name and on behalf of the Issuer, as representative of the Noteholders and also in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all and any of the Issuer's Rights, including the right to give directions and instructions to each of the Other Issuer Creditors. The Other Issuer Creditors irrevocably jointly give, pursuant to Article 1726 of the Italian civil code, the Representative of the Noteholders full power and authority to negotiate, amend, sign and execute, in their names and on their behalf, the Deed of Charge and the Deed of Pledge and provide the relevant acceptances of the pledges granted therein also in accordance with article 1395 of the Italian Civil Code and pursuant to article 2800 of the Italian Civil Code and the provisions of letter b), paragraph 1 of article 2 of the Italian legislative decree of 21 May 2004 N° 170, as applicable (including any amendment to the Deed of Pledge to be executed in relation to the pledge over the account positive balances standing to the credit of the Reserve Account and the Single Portfolio Reserve Accounts, once opened). The Notes Subscription Agreement and the Rules of the Organisation of the Noteholders include similar provisions providing for the appointment of, and the granting of relevant rights to, the Representative of the Noteholders by the Noteholders.

### **Clean Up Option**

The Issuer has granted each Originator an option right, subject to certain conditions, to purchase in each period starting from 60 (sixty) days prior the Clean Up Option Date and ending on such Clean Up Option Date the respective Portfolio outstanding at such date for a purchase price equal to the outstanding principal amount of each Claim comprised in such Portfolio, subject to the following provisions:

- (i) if on the Clean Up Option Date any of the Portfolios comprises any Defaulted Claims, and
    - (a) such Defaulted Claims have a principal outstanding amount equal or higher to 25 per cent. of the aggregate principal amount of the relevant Portfolio; or
    - (b) the relevant Originator so requires; or
    - (c) any applicable laws or regulations so require;
- the purchase price shall be equal to the fair market value as determined (subject to subparagraph (ii) below) by an independent third party; and
- (ii) provided that, in any case, the purchase price shall be equal to, or higher than, the amount (as determined in the relevant Payments Report) necessary for the Issuer to discharge all its outstanding liabilities in respect of the Class A Notes and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the Class A Notes.

The Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor 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 Intercreditor Agreement and all non contractual obligations arising out or in connection with the Intercreditor Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.



#### 4. THE DEED OF PLEDGE

Pursuant to a deed of pledge to be entered into on or prior to the Issue Date (the "**Deed of Pledge**") between the Issuer and the Representative of the Noteholders acting for itself and on behalf of the Noteholders and the Other Issuer Creditors (the "**Pledgee**"), the Issuer will grant to the Pledgee 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 held in Italy by the Issuer (other than the Expenses Account and the Quota Capital Account).

#### 5. THE CASH ADMINISTRATION AND AGENCY AGREEMENT

Under an agreement to be entered into on or prior to the Issue Date between the Issuer, the Servicers, the Transaction Bank, the Operating Bank, the English Transaction Bank, the Cash Manager, the Computation Agent, the Paying Agents, the Irish Listing Agent, the Representative of the Noteholders and the Agent Bank (the "**Cash Administration and Agency Agreement**"):

- (a) the Principal Paying Agent and the Italian Paying Agent will perform certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders;
- (b) the Agent Bank will calculate the amount of interest payable on the Class A Notes on each Interest Determination Date; the Computation Agent will perform certain other calculations in respect of the Notes and set out, in a payment 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; and
- (c) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager will provide the Issuer with certain cash administration and investment services, in relation to the monies standing, from time to time, to the credit of the relevant Accounts.

Pursuant to clause 13 (*Change in Agents*) of the Cash Administration and Agency Agreement, any Agent may resign its appointment upon not less than 90 (ninety) days' notice to the Issuer (with a copy, in the case of an Agent other than the Italian Paying Agent, to the Italian Paying Agent) provided, however, that:

- (i) if such resignation would otherwise take effect less than 30 (thirty) days before or after any Payment Date or other date for redemption of the Notes, it shall not take effect until the thirtieth day following such Payment Date or redemption date; and
- (ii) in the case of the Paying Agents, the Transaction Bank, the Operating Bank, the English Transaction Bank or the Agent Bank, such resignation shall not take effect until a Successor has been duly appointed in accordance with clause 13.4 or clause 13.5 of the Cash Administration and Agency Agreement and notice of such appointment has been given in writing to Monte Titoli, it being understood that the Issuer undertakes to appoint such Successor without prejudice to the provisions of clause 13.5 of the Cash Administration and Agency Agreement.

Moreover, the Issuer may revoke the appointment of any Agent by giving not less than 60 (sixty) days' notice to such Agent (with a copy to the Representative of the Noteholders and, in the case of an Agent other than the Italian Paying Agent, to the Italian Paying Agent); provided however that, in the case of the Transaction Bank, the English Transaction Bank, the

Operating Bank, the Paying Agents or the Agent Bank, such revocation shall not take effect until a Successor has been duly appointed in accordance with clauses 13.4 and 13.5 of the Cash Administration and Agency Agreement, notice of such appointment has been given in writing to Monte Titoli and such Successor has entered into the Intercreditor Agreement and the other relevant Transaction Documents.

The appointment of any Agent shall terminate (in accordance with article 1456 of the Italian civil code) 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 Operating Bank, the banking licence granted to it pursuant to article 14 of the Consolidated Banking Act 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 the Principal Paying Agent, the Italian Paying Agent, the Transaction Bank, the English Transaction Bank and the Operating Bank (only in the event of a Successor of ICCREA Banca) it ceases to be an Eligible ; or (g) a just cause (*giusta causa*) occurs (which includes (A) any change (i) to the Specified Office of the Principal Paying Agent or the Irish Listing Agent or (ii) to the registered office of any other Agent, provided that, in both cases under (i) and (ii) above, the Issuer and the Representative of the Noteholders have grounds to believe that such change may prejudice the Noteholders' rights under the Transaction; (B) the default by any Agent in the performance or observance of any of its respective covenants and obligations under the Cash Administration and Agency Agreement, provided that the Representative of the Noteholders is of the opinion that such default is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 10 (ten) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy; or (C) the circumstance that any of the warranties made by any Agent under this Agreement proves untrue, provided that the Representative of the Noteholders is of the opinion that such warranty being untrue is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 10 (ten) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy); provided however that, in the case of the Transaction Bank, the English Transaction Bank, the Operating Bank, the Principal Paying Agent, the Italian Paying Agent or the Agent Bank, such termination or revocation shall not take effect until a Successor has been duly appointed in accordance with clause 13.3 or clause 13.4 of the Cash Administration and Agency Agreement, notice of such appointment has been given in writing to Monte Titoli and such Successor has entered into the Intercreditor Agreement and the other relevant Transaction Documents.

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 Rome, Italy.

## **6. THE NOTES SUBSCRIPTION AGREEMENT**

Pursuant to a subscription agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the Originators (the "**Notes Subscription Agreement**"), the Originators 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 and all non contractual obligations arising out or in connection with the Notes Subscription 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 Notes Subscription Agreement and all non contractual obligations arising out or in connection with the Notes Subscription Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## 7. THE LIMITED RECOURSE LOAN AGREEMENT

Each of the Originators is a subordinated loan provider (each a "**Limited Recourse Loan Provider**" and collectively, the "**Limited Recourse Loan Providers**"), pursuant to a limited recourse loan agreement to be entered into on or prior to the Issue Date between the Originators and the Issuer (the "**Limited Recourse Loan Agreement**"), pursuant to which: (i) Banca Romagna Cooperativa grants to the Issuer a subordinated loan in the amount of Euro 1,900,000; (ii) BCC di Forlì grants to the Issuer a subordinated loan in the amount of Euro 2,050,000; (iii) Banca della Marca grants to the Issuer a subordinated loan in the amount of Euro 7,000,000; (iv) BCC Trevigiano grants to the Issuer a subordinated loan in the amount of Euro 5,500,000; (v) BCC CentroMarca grants to the Issuer a subordinated loan in the amount of Euro 2,300,000; (vi) BCC di Anghiari grants to the Issuer a subordinated loan in the amount of Euro 1,300,000; (vii) BCC del Valdarno grants to the Issuer a subordinated loan in the amount of Euro 1,150,000; (viii) BCC Vicentino grants to the Issuer a subordinated loan in the amount of Euro 1,470,000; (ix) CRA di Brendola grants to the Issuer a subordinated loan in the amount of Euro 3,400,000; (x) BCC di Alba grants to the Issuer a subordinated loan in the amount of Euro 4,600,000; (xi) Banca di Pistoia grants to the Issuer a subordinated loan in the amount of Euro 1,500,000; (xii) BCC di Campiglia dei Berici grants to the Issuer a subordinated loan in the amount of Euro 800,000; (xiii) BCC Crediveneto grants to the Issuer a subordinated loan in the amount of Euro 1,750,000; (xiv) CrediUmbria BCC grants to the Issuer a subordinated loan in the amount of Euro 1,700,000; (xv) BCC Pompiano e Franciacorta grants to the Issuer a subordinated loan in the amount of Euro 5,200,000; (xvi) Banca Adige Po grants to the Issuer a subordinated loan in the amount of Euro 1,000,000; (xvii) BCC di Ancona grants to the Issuer a subordinated loan in the amount of Euro 800,000; (xviii) BCC di Bedizzole T.V. grants to the Issuer a subordinated loan in the amount of Euro 1,000,000; (xix) BCC di Ostra e Morro d'Alba grants to the Issuer a subordinated loan in the amount of Euro 550,000; (xx) BCC Adda e Cremasco grants to the Issuer a subordinated loan in the amount of Euro 1,700,000; (xxi) Banca San Biagio del Veneto Orientale grants to the Issuer a subordinated loan in the amount of Euro 3,200,000; (xxii) BCC di Gatteo grants to the Issuer a subordinated loan in the amount of Euro 1,250,000; (xxiii) Romagna Est BCC grants to the Issuer a subordinated loan in the amount of Euro 2,300,000; (xxiv) BCC Camerano grants to the Issuer a subordinated loan in the amount of Euro 950,000; (xxv) BCC di Monastier grants to the Issuer a subordinated loan in the amount of Euro 7,600,000; (xxvi) RovigoBanca grants to the Issuer a subordinated loan in the amount of Euro 2,500,000; (xxvii) Banca di San Giorgio Quinto Valle Agno grants to the Issuer a subordinated loan in the amount of Euro 3,750,000; (xxviii) BCC Valdinievole grants to the Issuer a subordinated loan in the amount of Euro 1,950,000; (xxix) BCC di Carate Brianza grants to the Issuer a subordinated loan in the amount of Euro 4,900,000 and (xxx) BCC Malatestiana grants to the Issuer a subordinated loan in the amount of Euro 4,100,000 (each a "**Limited Recourse Loan**" and together the "**Limited Recourse Loans**"). The Limited Recourse Loans will be

repaid in accordance with the applicable Order of Priority. Each Limited Recourse Loan will be drawn down by the Issuer on the Issue Date in order to fund the relevant Cash Reserve.

## **8. THE DEED OF CHARGE**

Pursuant to the Deed of Charge to be entered into on or about the Issue Date, the Issuer will assign absolutely and to the effect not effectively assigned and charge by way of first fixed security in favour of the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors, all of the Issuer's rights, title, interest and benefit (present and future) in, to and under the Investment Account, the Principal Amortisation Reserve Accounts and any other English Accounts which the Issuer may open from time to time, and will charge by way of first floating security the whole of the Issuer's undertaking, property and assets, present and future, relating to the Transaction, which are located in England and Wales and which are not subject to effective security created pursuant to the other clauses of the Deed of Charge or otherwise.

The Deed of Charge will be governed by, and will be construed in accordance with, English law.

The Courts of England have exclusive jurisdiction to hear any disputes that arise in connection therewith.

## **9. THE QUOTAHOLDER'S AGREEMENT**

Under the terms of a quotaholders' agreement to be entered into on or prior to the Issue Date between the Quotaholder, the Representative of the Noteholders, the Issuer and ICCREA Banca (the "**Quotaholder's Agreement**") certain rules shall be set out in relation to the corporate governance of the Issuer.

The Quotaholder's Agreement and all non contractual obligations arising out or in connection with the Quotaholder's 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 Quotaholder's Agreement and all non contractual obligations arising out or in connection with the Quotaholder's Agreement, the Parties shall submit to the exclusive jurisdiction of the Courts of Rome, Italy.

## WEIGHTED AVERAGE LIVES OF THE CLASS A NOTES

Under the Conditions, the Final Maturity Date of the Senior Notes is the Payment Date falling in October 2050 and the Senior Notes will be subject to mandatory redemption in full or in part on the First Payment Date and on each Payment Date 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 Senior Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average lives of the Senior Notes on the basis of various assumptions regarding prepayment rates. The assumptions used to calculate the expected average lives of the Notes hereunder are based on the historical performance of the loans originated by each of the Originators having the same characteristics as those of the Claims.

Moreover, the following assumptions have been made:

- (i) the Issuer will exercise its option to redeem the Notes under Condition 6.4 (*Optional Redemption*);
- (ii) there are no delinquencies or defaults in respect of the Portfolios;
- (iii) no Trigger Event has occurred in respect of the Notes; and
- (iv) no redemption for taxation under Condition 6.2 (*Redemption for Taxation*) has occurred in respect of the Notes.

Costant Prepayment rate (% per annum)	Class A Notes	
	Expected Average life (Years)	Expected maturity
5%	4.7	09/18/2023
6%	4.4	03/18/2023
7%	4.14	06/18/2022
8%	3.91	03/18/2022
9%	3.7	12/18/2021
10%	3.51	06/18/2021

The base case assumption above reflects the current expectations of the Issuer but no assurance can be given that the redemption of the Senior 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 lives of the Notes is subject to factors that are largely out of the control of the Issuer. As a consequence no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.*

## TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Class A Note 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, as the case may be, issued in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. (“Monte Titoli”) in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) regulation of 22 February 2008 jointly issued by the Commissione Nazionale per le Società e la Borsa (“CONSOB”) and the Bank of Italy, as subsequently amended and supplemented. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).*

The Euro 1,333,200,000 Class A Asset Backed Floating Rate Notes due October 2050 (the “**Class A Notes**”), Euro 5,769,000 Class B1 Asset Backed Floating Rate Notes due October 2050 (the “**Class B1 Notes**”), Euro 6,041,000 Class B2 Asset Backed Floating Rate Notes due October 2050 (the “**Class B2 Notes**”), Euro 22,516,000 Class B3 Asset Backed Floating Rate Notes due October 2050 (the “**Class B3 Notes**”), Euro 17,711,000 Class B4 Asset Backed Floating Rate Notes due October 2050 (the “**Class B4 Notes**”), Euro 7,450,000 Class B5 Asset Backed Floating Rate Notes due October 2050 (the “**Class B5 Notes**”), Euro 4,108,000 Class B6 Asset Backed Floating Rate Notes due October 2050 (the “**Class B6 Notes**”), Euro 3,313,000 Class B7 Asset Backed Floating Rate Notes due October 2050 (the “**Class B7 Notes**”), Euro 4,632,000 Class B8 Asset Backed Floating Rate Notes due October 2050 (the “**Class B8 Notes**”), Euro 11,152,000 Class B9 Asset Backed Floating Rate Notes due October 2050 (the “**Class B9 Notes**”), Euro 14,577,000 Class B10 Asset Backed Floating Rate Notes due October 2050 (the “**Class B10 Notes**”), Euro 4,785,000 Class B11 Asset Backed Floating Rate Notes due October 2050 (the “**Class B11 Notes**”), Euro 2,211,000 Class B12 Asset Backed Floating Rate Notes due October 2050 (the “**Class B12 Notes**”), Euro 5,376,000 Class B13 Asset Backed Floating Rate Notes due October 2050 (the “**Class B13 Notes**”), Euro 5,251,000 Class B14 Asset Backed Floating Rate Notes due October 2050 (the “**Class B14 Notes**”), Euro 16,504,000 Class B15 Asset Backed Floating Rate Notes due October 2050 (the “**Class B15 Notes**”), Euro 2,975,000 Class B16 Asset Backed Floating Rate Notes due October 2050 (the “**Class B16 Notes**”), Euro 2,483,000 Class B17 Asset Backed Floating Rate Notes due October 2050 (the “**Class B17 Notes**”), Euro 2,908,000 Class B18 Asset Backed Floating Rate Notes due October 2050 (the “**Class B18 Notes**”), Euro 1,586,000 Class B19 Asset Backed Floating Rate Notes due October 2050 (the “**Class B19 Notes**”), Euro 5,251,000 Class B20 Asset Backed Floating Rate Notes due October 2050 (the “**Class B20 Notes**”), Euro 10,214,000 Class B21 Asset Backed Floating Rate Notes due October 2050 (the “**Class B21 Notes**”), Euro 3,772,000 Class B22 Asset Backed Floating Rate Notes due October 2050 (the “**Class B22 Notes**”), Euro 7,261,000 Class B23 Asset Backed Floating Rate Notes due October 2050 (the “**Class B23 Notes**”), Euro 2,590,000 Class B24 Asset Backed Floating Rate Notes due October 2050 (the “**Class B24 Notes**”), Euro 24,977,000 Class B25 Asset Backed Floating Rate Notes due October 2050 (the “**Class B25 Notes**”), Euro 7,896,000 Class B26 Asset Backed Floating Rate Notes due October 2050 (the “**Class B26 Notes**”), Euro 11,845,000 Class B27 Asset Backed Floating Rate Notes due October 2050 (the “**Class B27 Notes**”), Euro 5,575,000 Class B28 Asset Backed Floating Rate Notes due October 2050 (the “**Class B28 Notes**”), Euro 15,441,000 Class B29 Asset Backed Floating Rate Notes due October 2050 (the “**Class B29 Notes**”) and Euro 13,086,000 Class B30 Asset Backed Floating Rate Notes due October 2050 (the “**Class B30 Notes**” and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes, the Class B16 Notes, the Class B17 Notes, the Class B18 Notes, the Class B19 Notes, the Class B20 Notes, the Class B21 Notes, the Class B22 Notes, the Class B23 Notes, the Class B24 Notes, the Class B25 Notes, the Class B26 Notes, the Class B27 Notes, the Class B28 Notes and the Class B29 Notes the “**Class B Notes**”; the Class A Notes and the Class B

Notes, together the “Notes”), are issued by Credico Finance 10 S.r.l. (the “**Issuer**”) on 30 April 2012 (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 the mortgage loans (collectively the “**Portfolios**” and the “**Claims**”, respectively) from Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone (“**Banca Romagna Cooperativa**”), Banca di Forlì - Credito Cooperativo - S.C (“**BCC di Forlì**”), Banca della Marca - Credito Cooperativo - Soc. Coop (“**Banca della Marca**”), Credito Trevigiano - Banca di Credito Cooperativo - Società Cooperativa (“**BCC Trevigiano**”), CentroMarca Banca - Credito Cooperativo - Società Cooperativa (“**BCC CentroMarca**”), Banca di Anghiari e Stia - Credito cooperativo - Società cooperativa (“**BCC di Anghiari**”), Banca del Valdarno - Credito Cooperativo – Soc. Cooperativa (“**BCC del Valdarno**”), Banca di Credito Cooperativo Vicentino - Pojana Maggiore (Vicenza) - Società Cooperativa (“**BCC Vicentino**”), Cassa Rurale ed Artigiana di Brendola - Credito Cooperativo (“**CRA di Brendola**”), BCC di Alba, Langhe e Roero S.C. (“**BCC di Alba**”), Banca di Pistoia - Credito Cooperativo - Società Cooperativa (“**Banca di Pistoia**”), Banca di Credito Cooperativo di Campiglia dei Berici Soc. Coop (“**BCC di Campiglia dei Berici**”), Credito Cooperativo Interprovinciale Veneto - Società Cooperativa (“**BCC Crediveneto**”), CrediUmbria Banca di Credito Cooperativo - Società Cooperativa (“**CrediUmbria BCC**”), Banca di Credito Cooperativo di Pompiano e della Franciacorta - Pompiano (BS) Società Cooperativa (“**BCC Pompiano e Franciacorta**”), Banca Adige Po - Credito Cooperativo Lusia (“**Banca Adige Po**”), Banca di Ancona - Credito Cooperativo - Società Cooperativa (“**BCC di Ancona**”), Banca di Bedizzole Turano Valvestino Credito Cooperativo Srl (“**BCC di Bedizzole T.V.**”), Banca di Credito Cooperativo di Ostra e Morro d'Alba Società Cooperativa (“**BCC di Ostra e Morro d'Alba**”), Credito Cooperativo Dell'Adda e del Cremasco - Cassa Rurale Società Cooperativa (“**BCC Adda e Cremasco**”), Banca San Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada – Banca di Credito Cooperativo – Società Cooperativa (“**Banca San Biagio del Veneto Orientale**”), Banca di Credito Cooperativo di Gatteo - Società Cooperativa (“**BCC di Gatteo**”), Romagna Est Banca di Credito Cooperativo Società Cooperativa (“**Romagna Est BCC**”), Cassa Rurale ed Artigiana “S. Giuseppe” c.c. Soc. a Resp. Limitata - Camerano (AN) (“**BCC Camerano**”), Banca di Monastier e del Sile Credito Cooperativo Società Cooperativa (“**BCC di Monastier**”), RovigoBanca Credito Cooperativo - Società Cooperativa (“**RovigoBanca**”), Banca San Giorgio Quinto Valle Agno Credito Cooperativo - Società Cooperativa (“**Banca San Giorgio Quinto Valle Agno**”), Credito Valdinievole - Banca di Credito Cooperativo di Montecatini Terme e Bientina S.C. (“**BCC Valdinievole**”), Banca di Credito Cooperativo di Carate Brianza (“**BCC di Carate Brianza**”) and Banca Malatestiana - Credito Cooperativo Società Cooperativa (“**BCC Malatestiana**”) and together with Banca Romagna Cooperativa, BCC di Forlì, Banca della Marca, BCC Trevigiano, BCC CentroMarca, BCC di Anghiari, BCC del Valdarno, BCC Vicentino, CRA di Brendola, BCC di Alba, Banca di Pistoia, BCC di Campiglia dei Berici, BCC Crediveneto, CrediUmbria BCC, BCC Pompiano e Franciacorta, Banca Adige Po, BCC di Ancona, BCC di Bedizzole T.V., BCC di Ostra e Morro d'Alba, BCC Adda e Cremasco, Banca San Biagio del Veneto Orientale, BCC di Gatteo, Romagna Est BCC, BCC Camerano, BCC di Monastier, RovigoBanca, Banca San Giorgio Quinto Valle Agno, BCC Valdinievole, BCC di Carate Brianza and BCC Malatestiana, collectively the “**Originators**”), pursuant to article 1 of Italian Law No. 130 of 30 April 1999 (“*Disposizioni sulla cartolarizzazione dei crediti*”) (the “**Law 130**” or the “**Securitisation Law**”).

The Portfolios have been purchased by the Issuer pursuant to 30 transfer agreements entered into on 23 April 2012, each between the Issuer and an Originator (each a “**Transfer Agreement**” and together 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 23 April 2012 (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 A Noteholders**” are to the beneficial owners of the Class A Notes, references to the “**Class B1 Noteholders**”, the “**Class B2 Noteholders**” the “**Class B3 Noteholders**”, the “**Class B4 Noteholders**”, the “**Class B5 Noteholders**”, the “**Class B6 Noteholders**”, the “**Class B7 Noteholders**”, the “**Class B8 Noteholders**”, the “**Class B9 Noteholders**”, the “**Class B10 Noteholders**”, the “**Class B11 Noteholders**”, the “**Class B12**”

**Noteholders**", the "**Class B13 Noteholders**", the "**Class B14 Noteholders**", the "**Class B15 Noteholders**", the "**Class B16 Noteholders**", the "**Class B17 Noteholders**", the "**Class B18 Noteholders**", the "**Class B19 Noteholders**", the "**Class B20 Noteholders**", the "**Class B21 Noteholders**", the "**Class B22 Noteholders**", the "**Class B23 Noteholders**", the "**Class B24 Noteholders**", the "**Class B25 Noteholders**", the "**Class B26 Noteholders**", the "**Class B27 Noteholders**", the "**Class B28 Noteholders**", the "**Class B29 Noteholders**", and the "**Class B30 Noteholders**" are to the beneficial owners of respectively the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the Class B7 Notes, the Class B8 Notes, the Class B9 Notes, the Class B10 Notes, the Class B11 Notes, the Class B12 Notes, the Class B13 Notes, the Class B14 Notes, the Class B15 Notes, the Class B16 Notes, the Class B17 Notes, the Class B18 Notes, the Class B19 Notes, the Class B20 Notes, the Class B21 Notes, the Class B22 Notes, the Class B23 Notes, the Class B24 Notes, the Class B25 Notes, the Class B26 Notes, the Class B27 Notes, the Class B28 Notes, the Class B29 Notes and the Class B30 Notes; references to the "**Class B Noteholders**" are to the beneficial owners of the Class B Notes collectively 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 title to the Portfolios and to all the amounts deriving therefrom (the "**Issuer's Rights**") will be segregated from all the other assets of the Issuer 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, 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). The Issuer's Rights 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-à-vis* the Other Issuer Creditors.

Under a servicing agreement entered into on 23 April 2012 (the "**Servicing Agreement**") between the Issuer and each Originator as a servicer of its respective Portfolio (collectively the "**Servicers**"), each Servicer agreed to provide the Issuer with administration, collection and recovery services in respect of such Portfolio and shall verify that the payment services to be provided in relation to the Transaction comply with Italian law.

Under a subscription agreement entered into on or prior to the Issue Date between the Issuer, the Originators and the Representative of the Noteholders (the "**Notes Subscription Agreement**"), the Originators shall subscribe and pay for the Class A Notes upon the terms and subject to the conditions thereof and shall appoint Deutsche Trustee Company Limited to act as the representative of the Class A Noteholders (the "**Representative of the Noteholders**"). Banca Romagna Cooperativa shall subscribe and pay for the Class B1 Notes, BCC di Forlì shall subscribe and pay for the Class B2 Notes, Banca della Marca shall subscribe and pay for the Class B3 Notes, BCC Trevigiano shall subscribe and pay for the Class B4 Notes, BCC CentroMarca shall subscribe and pay for the Class B5 Notes, BCC di Anghiari shall subscribe and pay for the Class B6 Notes, BCC del Valdarno shall subscribe and pay for the Class B7 Notes, BCC Vicentino shall subscribe and pay for the Class B8 Notes, CRA di Brendola shall subscribe and pay for the Class B9 Notes, BCC di Alba shall subscribe and pay for the Class B10 Notes, Banca di Pistoia shall subscribe and pay for the Class B11 Notes, BCC di Campiglia dei Berici shall subscribe and pay for the Class B12 Notes, BCC Crediveneto shall subscribe and pay for the Class B13 Notes, CrediUmbria BCC shall subscribe and pay for the Class B14 Notes, BCC Pompiano e Franciacorta shall subscribe and pay for the Class B15 Notes, Banca Adige Po shall subscribe and pay for the Class B16 Notes, BCC di Ancona shall subscribe and pay for the Class B17 Notes, BCC di Bedizzole T.V. shall subscribe and pay for the Class B18 Notes, BCC di Ostra e Morro d'Alba shall subscribe and pay for the Class B19 Notes, BCC Adda e Cremasco shall subscribe and pay for the Class B20 Notes, Banca San Biagio del Veneto Orientale shall subscribe



and pay for the Class B21 Notes, BCC di Gatteo shall subscribe and pay for the Class B22 Notes, Romagna Est BCC shall subscribe and pay for the Class B23 Notes, BCC Camerano shall subscribe and pay for the Class B24 Notes, BCC di Monastier shall subscribe and pay for the Class B25 Notes, RovigoBanca shall subscribe and pay for the Class B26 Notes, Banca San Giorgio Quinto Valle Agno shall subscribe and pay for the Class B27 Notes, BCC Valdinievole shall subscribe and pay for the Class B28 Notes, BCC di Carate Brianza shall subscribe and pay for the Class B29 Notes and BCC Malatestiana shall subscribe and pay for the Class B30 Notes. Each of the Originators shall appoint the Representative of the Noteholders to act as the representative of the Class B 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**”) between the Issuer, the Representative of the Noteholders, the Servicers, Deutsche Bank AG London as principal paying agent (the “**Principal Paying Agent**”), agent bank (the “**Agent Bank**”), custodian and English transaction bank (the “**English Transaction Bank**”) and cash manager (the “**Cash Manager**”), Deutsche Bank S.p.A. as computation agent (the “**Computation Agent**”), Italian paying agent (the “**Italian Paying Agent**”) and together with the Principal Paying Agent, the “**Paying Agents**”) and transaction bank (the “**Transaction Bank**”), and ICCREA Banca S.p.A. as operating bank (the “**Operating Bank**”): (i) the Principal Paying Agent and the Italian Paying Agent shall carry out certain services in relation to the Notes, including arranging for the payment of principal and interest to the Monte Titoli Account Holders; (ii) the Agent Bank shall calculate the amount of interest payable on the Notes; (iii) the Computation Agent shall provide the Issuer with other calculations in respect of the Notes and will set out, in a payment report, the payments due to be made under the Notes on each Payment Date; and (iv) the Operating Bank, the Transaction Bank, the English Transaction Bank and the Cash Manager shall provide certain cash administration and investment services in respect of the amounts standing, from time to time, to the credit of the relevant Accounts.

Under a corporate services agreement to be entered into on or prior to the Issue Date (the “**Corporate Services Agreement**”) between the Issuer and FIS Full Integrated Solutions S.p.A. as corporate services provider (the “**Corporate Services Provider**”) the Corporate Services Provider shall provide the Issuer with certain corporate administration services.

Under a further servicing agreement to be entered into on or prior the Issue Date between the Issuer, the Back-up Servicer and the Servicers (the “**Back-up Servicing Agreement**”), ICCREA Banca has agreed that, should any of the Servicers cease to act as servicer of the relevant Portfolio, it will itself service such Portfolio on the same terms as provided for in the Servicing Agreement.

Under the terms of a limited recourse loan agreement to be entered into on or prior to the Issue Date (the “**Limited Recourse Loan Agreement**”), between the Issuer and the Originators as limited recourse loan providers (each a “**Limited Recourse Loan Provider**”), each Limited Recourse Loan Provider will grant the Issuer a limited recourse loan (the “**Limited Recourse Loan**”) in order to fund the relevant Cash Reserve.

Under a deed of pledge entered into on or prior to the Issue Date among the Issuer and the Representative of the Noteholders (acting for itself and also on behalf of the Noteholders) and the Other Issuer Creditors (the “**Deed of Pledge**”), the Issuer has granted to the Noteholders and the Other Issuer Creditors: (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 held by the Issuer in Italy (other than the Expenses Account and the Quota Capital Account).

Under a deed of charge entered into on or prior to the Issue Date between the Issuer, the Representative of the Noteholders (acting as security trustee) and the Other Issuer Creditors (the “**Deed of Charge**”), the Issuer assigned and charged in favour of the Representative of the Noteholders for itself, the Noteholders and the Other Issuer Creditors, all the Issuer's rights, title, interest and benefit (present and future) in all the amounts and securities from time to time standing to the credit of the Investment Account, together with any other future accounts which the Issuer may

open in England and Wales pursuant to the Transaction Documents.

Under an intercreditor agreement to be entered into on or prior to the Issue Date (the “**Intercreditor Agreement**”) between the Issuer, the Representative of the Noteholders (on its own behalf and as agent for the Noteholders), the Corporate Services Provider, the Agent Bank, the Transaction Bank, the English Transaction Bank, the Operating Bank, the Computation Agent, the Servicers, the Paying Agents, the Irish Listing Agent, the Back-up Servicer, the Cash Manager, the Limited Recourse Loan Providers, the Originators and the Back-Up Servicer Facilitator, 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 quotaholder’s agreement to be entered into on or prior to the Issue Date between Stichting Erice (the “**Quotaholder**”), the Issuer, the Representative of the Noteholders and ICCREA Banca (the “**Quotaholder’s Agreement**”) certain rules will be set out in relation to the corporate management of the Issuer.

The Issuer has established with the Transaction Bank the following accounts:

- (i) an account (the “**Payments Account**”) into which, *inter alia*, all amounts received by the Issuer under the Transaction Documents (other than amounts paid in respect of the Claims) will be credited and out of which all payments shall be made according to the applicable Order of Priority and the relevant Payments Report;
- (ii) an account (the “**Collections and Recoveries Account**”) into which, *inter alia*, all amounts standing to the credit of each Transitory Collection and Recoveries Account will be credited; and
- (iii) 30 cash reserve accounts (the “**Cash Reserve Accounts**”) into which the relevant Subordinated Loans shall be deposited pursuant to the Limited Recourse Loan Agreement.

The Issuer may establish the following accounts with the Transaction Bank:

- (i) an account (the “**Reserve Account**”) into which, *inter alia*, the Reserve Amount, if any, shall be paid; and
- (ii) 30 accounts (the “**Single Portfolio Reserve Accounts**”) identified with respect to each Portfolio into which, *inter alia*, the Single Portfolio Reserve Amounts, if any, shall be paid.

The Issuer has established with the English Transaction Bank:

- (i) a cash and securities account (the “**Investment Account**”) into which, *inter alia*, all amounts and securities standing to the credit of the Accounts (other than the Transitory Collections and Recoveries Accounts, the Expenses Account and the Quota Capital Account) will be transferred for the purpose of investment in Eligible Investments.

The Issuer may establish with the English Transaction Bank 30 accounts (the “**Principal Amortisation Reserve Accounts**”) identified with respect to each Portfolio into which, *inter alia*, the Principal Amortisation Reserve Amounts, if any, shall be paid.

The Issuer has established the following accounts with the Operating Bank:

- (i) 30 accounts (the “**Transitory Collections and Recoveries Accounts**”) identified with respect to each Portfolio into which, *inter alia*, all amounts received by the Issuer under the Portfolios from the relevant Servicer shall be paid;
- (ii) an account (the “**Expenses Account**”) into which, *inter alia*, the Retention Amount shall be paid and out of which certain payments with respect to the Issuer’s corporate expenses shall be made; and
- (iii) an account (the “**Quota Capital Account**”) into which, *inter alia*, the sums contributed by the Quotaholder will be credited and held.

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 Cash Administration and Agency Agreement, the Limited Recourse Loan Agreement, the Deed of Pledge, the Quotaholder’s Agreement and the Deed of Charge (and together with these Conditions, the “**Transaction Documents**”). Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the “**Rules of the Organisation of the Noteholders**” and the “**Organisation of the Noteholders**”) attached hereto and which form an integral and substantive part of these Conditions.

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

In these Conditions:

“**2010 PD Amending Directive**” means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010.

“**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 Account, the Transitory Collections and Recoveries Accounts, the Investment Account, the Principal Amortisation Reserve Accounts, the Expenses Account, the Reserve Account, the Cash Reserve Accounts, the Quota Capital Account and the Single Portfolio Reserve Accounts.

“**Agents**” means the Principal Paying Agent, the Italian Paying Agent, the Irish Listing Agent, the Agent Bank, the Computation Agent, the Cash Manager, the Transaction Bank, the English Transaction Bank and the Operating Bank, collectively; and “**Agent**” means any of them.

“**Agent Bank**” means Deutsche Bank AG, London Branch, whose registered office is at Winchester House, 1 Great Winchester Street, EC2N 2DB London, United Kingdom, or any other person from time to time acting as Agent Bank.

“**Arranger**” means ICCREA Banca.

“**Article 122a**” means the article 122a 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 Servicer 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 Servicer under the Servicing Agreement.

“**Bankruptcy Proceedings**” means any bankruptcy or similar proceeding applicable to any company or other organisation or enterprises and in particular as for Italian law, the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, amministrazione straordinaria*, and the proceedings as set forth by article 182 *bis* and article 67, paragraph 3, of the Bankruptcy Law.

“**Borrower**” means the debtors under the Claims and their transferors, assignees and successors.

“**Business Day**” means any day (excluding Saturday and Sunday) on which banks are open for business in Dublin, London, Milan and Rome 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 10 (ten) calendar days before each Payment Date.

“**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.

“**Central Bank**” means the Central Bank of Ireland.

“**Claims**” means the monetary claims arising now or at any time in the future under or in respect of the Portfolios.

“**Class A Disequilibrium Event**” has the meaning ascribed to it in Condition 4.2.

“**Class A Notes Principal Payment Amount**” means (i) with respect to each Payment Date, the aggregate of all Single Portfolio Class A Notes Principal Payment Amounts (but excluding amounts payable under item (vii) of the definition of Single Portfolio Amortised Principal), *plus* (ii) only on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral-Order of Priority), an amount equal to the aggregate Single Portfolio Class A Notes Principal Amount Outstanding (which would otherwise remain outstanding following payments under item (i) above); *provided that* on the Final Maturity Date the Class A Notes Principal Payment Amount will be equal to the aggregate of all Single Portfolio Class A Notes Principal Amount Outstanding.

“**Class B Notes Aggregate Amount**” means the aggregate amount of the Class B Notes equal to Euro 249,256,000.

“**Clean Up Option Date**” means any Payment Date in relation to which on the preceding Collection Date the aggregate principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the principal outstanding amount of all the Portfolios as of the Effective Date; and (ii) the Purchase Price.

“**Clearstream**” means Clearstream Banking, Société Anonyme.

“**Collection Date**” means 28 February, 31 May, 31 August and 30 November in each year.

“**Collection Period**” means each period starting on a Collection Date (exclusive) and ending on the following Collection Date (inclusive), save for the First Collection Period.

“**Collection Policy**” means, with respect to each Servicer, the collection policy applied by such Servicer in relation to its respective Portfolio.

“**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.

“**Consolidated Banking Act**” means Legislative Decree No. 385 of 1 September 1999 as subsequently amended.

“**Criteria**” means collectively the General Criteria and the Specific Criteria.

“**Cross Collateral Event**” has the meaning ascribed to it in Condition 10 of the Notes.

“**Cross Collateral Notice**” has the meaning ascribed to it in Condition 10 of the Notes.

“**Cross Collateral Order of Priority**” means the order in which the Issuer Available Funds shall be applied on each Payment Date following the service of a Cross Collateral Notice (and, for the avoidance of doubt prior to the service of a Trigger Notice) in accordance with the Conditions and the Intercreditor Agreement.

“**DBRS**” means DBRS Ratings Limited.

“**Defaulted Claim**” means a Claim which is classified as “*in sofferenza*” by the relevant Servicer pursuant to its respective 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 (twelve) Unpaid Instalments in relation to Claims with monthly instalments; (ii) 6 (six) Unpaid Instalments in relation to Claims with Instalments which are paid every two months; (iii) 5 (five) Unpaid Instalments in relation to Claims with quarterly Instalments; (iv) 4 (four) Unpaid Instalments in relation to Claims with Instalments which are paid every four months; (v) 3 (three) Unpaid Instalments in case of Claims with semi-annual Instalments; and (vi) 1 (one) Unpaid Instalment in case of Claims with annual Instalment, remained unpaid for at least 6 months following the due date of payment.

“**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 Valuation Date, and (ii) the Outstanding Principal of the Claims as at the Valuation Date.

“**Delinquent Claims**” (*Crediti Incagliati*) means the Claims which are classified as “*partita incagliata*” by each Servicer pursuant to its Collection Policy and in compliance with the applicable rules “*Istruzioni di Vigilanza*” of the Bank of Italy.

“**Detrimental Event**” has the meaning ascribed to it in Condition 4.3.

“**Effective Date**” means 23.59 p.m. of 1 March 2012.

“**Eligible Institution**” means any depository institution organised under the laws of any State which is a member of the European Union or of the United States whose unsecured, unsubordinated and unguaranteed debt obligations have at least the following ratings:

- (i) with respect to Moody’s, P-1 by Moody’s in respect of short-term debt public rating; and

- (ii) with respect to DBRS: (a) at least "A" by DBRS in respect of long-term debt public rating; or (b) if there is no such public rating, an private rating supplied by DBRS of at least "A"; or (c) if there is no such private rating, then the eligible institution with respect to DBRS shall be any depository institution that is otherwise approved by such rating agency,

such other rating being compliant with the criteria established by Moody's and DBRS from time to time,

*provided that,*

- A. with respect to item (i) above, Deutsche Bank, Milan, acting as Transaction Bank, Computation Agent and Italian Paying Agent under the terms of the Cash Administration and Agency Agreement, it shall be deemed to be an Eligible Institution if:
  - (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of its controlling parent company (being Deutsche Bank AG) are rated P-1 by Moody's and the long-term, unsecured and unsubordinated debt obligations of its controlling parent company are rated at least Aa3 by Moody's;
  - (b) the shareholding held by its controlling parent company does not fall below 90 per cent.; and
  - (c) the words "Deutsche Bank" are contained in its legal name unless the Rating Agency confirms that the deletion of such words does not affect the status of Eligible Institution; and that
- B. with respect to item (ii) above, each of ICCREA Banca acting as Operating Bank, Deutsche Bank AG, London, acting as Principal Paying Agent and English Transaction Bank and Deutsche Bank, Milan acting as Transaction Bank:
  - (i) shall be qualified as an Eligible Institution with respect to DBRS as at the Issue Date; and
  - (ii) shall continue to be qualified as an Eligible Institution with respect to DBRS unless DBRS has notified to such Agent, the Representative of the Noteholders and the Issuer that such Agent shall no longer be qualified as an Eligible Institution.

**"Eligible Investments"** means:

- (i) any Euro denominated senior (unsubordinated) debt security or other debt instrument or repurchase transactions on such debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis (or, in the case of any repurchase transaction, whose underlying assets have been issued by, or fully and unconditionally guaranteed on an unsubordinated basis) by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:
  - (A) with respect to Moody's, either (i) "A2" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity of less than one month, or (ii) "A1" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between one and three months; or (iii) "Aa3" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to investments having a maturity between three and six months; or (iv) "Aaa" by Moody's in respect of long-term debt and "P-1" by Moody's in respect of short-term debt, with regard to

investments having a maturity over six months; or (v) such other lower rating being compliant with the criteria established by Moody's from time to time, and

(B) with respect to DBRS:

- (a) if such debt securities or other debt instruments are rated by DBRS, either (i) "R-1 (low)" by DBRS in respect of short-term debt and "A" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than or equal to one month; or (ii) "R-1 (middle)" by DBRS in respect of short-term debt and "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months; or (iii) "R-1 (middle)" by DBRS in respect of short-term debt and "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or (iv) "R-1 (high)" by DBRS in respect of short-term debt and "AAA" by DBRS in respect of long-term debt, with regard to investments having a maturity between six months and one year; or
- (b) which has the following ratings from at least two of the following rating agencies: (X) "A2" in respect of long-term debt or "P-1" in respect of short-term debt by Moody's, "A" in respect of long-term debt or "F-1" in respect of short-term debt by Fitch Ratings Ltd, "A" in respect of long-term debt or "A-1" by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. in respect of short-term debt with regard to investments having a maturity of less than or equal to one month; or (Y) "A1" in respect of long-term debt and "P-1" in respect of short-term debt by Moody's, "A+" in respect of long-term debt and "F-1" in respect of short-term debt by Fitch Ratings Ltd, "A+" in respect of long-term debt and "A-1" in respect of short-term debt by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc., with regard to investments having a maturity between one and three months; or
- (c) which has such other rating being compliant with the criteria established by DBRS from time to time;

and, in the case of clauses (A) and (B) above, which are immediately repayable on demand, disposable without penalty and have, 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 and 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, or

- (ii) any other investment that, upon prior written notice to DBRS and Moody's, does not adversely affect the current ratings of the Class A Notes;

provided that, 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 Senior Notes as eligible collateral.

**"Euro"** and **"€"** means the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957 as amended by, *inter alia*, the Single European Act 1986, the Treaty of European Union of 7 February 1992 establishing the European Union and the Treaty of Amsterdam of 2 October 1997.

**"Euroclear"** means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

“**Euro-zone**” means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as subsequently amended.

“**Final Maturity Date**” means the Payment Date falling on October 2050.

“**First Collection Date**” means 31 August 2012.

“**First Collection Period**” means the period starting on the Effective Date (inclusive) and ending on the First Collection Date (exclusive).

“**First Payment Date**” means the Payment Date falling on 18 October 2012.

“**General Criteria**” means the general criteria used as a basis for the selection of the Claims.

“**ICCREA Banca**” means ICCREA Banca S.p.A.

“**Information Technology Services Provider**” means with respect to Banca Romagna Cooperativa: Cedecra Informatica Bancaria, with office at Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna, with respect to BCC di Forlì: Cedecra Informatica Bancaria, with office at Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna, with respect to Banca della Marca: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC Trevigiano: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC CentroMarca: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC di Anghiari: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC del Valdarno: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC Vicentino: CABEL INDUSTRY SPA, with office at Via Cherubini, 99 - 50053 Empoli (FI), with respect to CRA di Brendola, ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Alba: S.B.A. (Servizi Bancari Associati) SPA, with office at Via Genova 11/A Loc. Tetto Garetto 12100 Cuneo, with respect to Banca di Pistoia: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Campiglia dei Berici: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC Crediveneto: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to CrediUmbria BCC: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC Pompiano e Franciacorta: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to Banca Adige Po: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC di Ancona, Federazione Marchigiana Banche di Credito Cooperativo, with office at Via dell'Agricoltura 1, 60127 Ancona, with respect to BCC di Bedizzole T.V.: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Ostra e Morro d'Alba: Federazione Marchigiana Banche di Credito Cooperativo, with office at Via dell'Agricoltura 1, 60127 Ancona, with respect to BCC Adda e Cremasco: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to Banca San Biagio del Veneto Orientale: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC di Gatteo: Cedecra Informatica Bancaria, with office at Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna, with respect to Romagna Est BCC: Cedecra Informatica Bancaria, with office at Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna, with respect to BCC Camerano: Federazione Marchigiana Banche di Credito Cooperativo, with office at Via dell'Agricoltura 1, 60127 Ancona, with respect to BCC di Monastier: CSE Servizi S.r.l, with office at San Lazzaro di Savena (BO), Via Emilia n. 272, with respect to RovigoBanca, PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini



16-18, 38100 Trento, with respect to Banca di San Giorgio Quinto Valle Agno: PHOENIX INFORMATICA BANCARIA SPA, with office at Via Segantini 16-18, 38100 Trento, with respect to BCC Valdinievole: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC di Carate Brianza: ISIDE SPA – Iniziative Servizi Informatici Direzione Europa, with office at Via Rivoltana, 95 - 20096 Pioltello (MI), with respect to BCC Malatestiana: Cedecra Informatica Bancaria Via Trattati Comunitari Europei 1957-2007 n.15 40127 Bologna (Bo), and any other successor and assignee.

“**Instalment**” means, with respect to each Claim, each monetary amount due from time to time by the relevant Borrower under the Claims.

“**Interest Accruals**” means, with respect to each Portfolio, the interest accrued, not yet due and unpaid on the Claims as of the applicable Effective Date, which shall be payable on the First Payment Date and in the case of insufficient available funds on such date, on each following Payment Date, by the Issuer to each Originator under the relevant Transfer Agreement, equal to, with respect to Portfolio No. 1, Euro 53,726.93; with respect to Portfolio No. 2, Euro 47,040.62; with respect to Portfolio No. 3, Euro 182,220.70; with respect to Portfolio No. 4, Euro 157,534.82; with respect to Portfolio No. 5, Euro 7,929.07; with respect to Portfolio No. 6, Euro 32,669.87; with respect to Portfolio No. 7, Euro 34,507.57; with respect to Portfolio No. 8, Euro 29,774.95; with respect to Portfolio No. 9, Euro 74,754.21; with respect to Portfolio No. 10, Euro 110,557.81; with respect to Portfolio No. 11, Euro 28,640.88; with respect to Portfolio No. 12, Euro 15,370.01; with respect to Portfolio No. 13, Euro 33,851.30; with respect to Portfolio No. 14, Euro 64,440.93; with respect to Portfolio No. 15, Euro 156,312.29; with respect to Portfolio No. 16, Euro 28,633.90; with respect to Portfolio No. 17, Euro 1,659.46; with respect to Portfolio No. 18, Euro 20,671.65; with respect to Portfolio No. 19, Euro 9,576.74.; with respect to Portfolio No. 20, Euro 35,723.80; with respect to Portfolio No. 21, Euro 30,576.73; with respect to Portfolio No. 22, Euro 47,064.26; with respect to Portfolio No. 23, Euro 76,104.68; with respect to Portfolio No. 24, Euro 8,904.57; with respect to Portfolio No. 25, Euro 215,570.45; with respect to Portfolio No. 26, Euro 64,583.65; with respect to Portfolio No. 27, Euro 80,391.54; with respect to Portfolio No. 28, Euro 41,010.51; with respect to Portfolio No. 29, Euro 106,262.58 and with respect to Portfolio No. 30, Euro 87,677.41.

“**Interest Amount**” has the meaning ascribed to it in Condition 5.3.1.

“**Interest Determination Date**” means, with respect to the Initial Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Payment Date at the beginning of such Interest Period.

“**Interest Instalment**” means, in respect of each Claim, the interest component of each Instalment (excluding 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 exclude) the First Payment Date.

“**Interest Rate**” has the meaning ascribed to it in Condition 5.

“**Investment Account**” means the cash and securities account opened by the Issuer with the English Transaction Bank with IBAN GB09DEUT40508123239600 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.

“**Investors’ Report Date**” means 15 (fifteen) Business Days after each Payment Date.

“**Issue Price**” means the 100% of the principal amount of the Class A Notes and the Class B Notes at

which the Class A Notes and the Class B Notes will be issued.

“**Issuer**” means Credico Finance 10 S.r.l.

“**Issue Date**” means 30 April 2012.

“**Issuer Available Funds**” means, in respect of each Payment Date, the aggregate (without duplication) of:

- (i) all Collections received by the Issuer through the Servicers, during the immediately preceding Collection Period;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Expenses Account and 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;
- (iv) all amounts paid into the Principal Amortisation Reserve Accounts in the immediately preceding Payment Date;
- (v) all interest accrued and paid on the amount from time to time standing to the credit of the Expenses Account during the immediately preceding Collection Period and paid into the same;
- (vi) all amounts received from the Originators, if any, pursuant to the Warranty and Indemnity Agreement and/or the Transfer Agreements, all amounts received by the Issuer as indemnities for the renegotiation of the Mortgage 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 other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Issuer Available Funds utilised on the immediately preceding Payment Date;
- (viii) all amounts paid into the Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (ix) all amounts paid into the Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds or Issuer Available Funds;
- (x) until full repayment of the Class A Notes:
  - (a) the amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) necessary to pay amount due under items from (*First*) to (*Sixth*) (included) of the Acceleration Order of Priority, or the Cross Collateral Order of Priority (as applicable) in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date,
  - (b) the amount equal to the difference (if positive) between (i) the amount of the Cash Reserves (including any amount to be credited on the Cash Reserve Accounts on such Payment Date and each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter

(a) above, and (ii) an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date, in respect of payments ranking as (Ninth) of the Cross Collateral Order of Priority, in the event of a shortfall of the Issuer Available Funds in respect of such amounts on such Payment Date;

(c) only on the Payment Date on which the amount under item (ii) of the Class A Notes Principal Payment Amount is to be utilised towards redemption of the Class A Notes, a corresponding amount of the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), and

(d) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the amount of the Cash Reserves necessary to redeem in full the Class A Notes (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement);

(xi) the Cash Reserve Excess of all Portfolios.

“**Issuer's Rights**” means the Issuer's right, title and interest in and to the Portfolios and to all the amounts deriving therefrom.

“**Late Payments 30 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 30 (thirty) days.

“**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 amended by Italian Law No. 409 and No. 410 of 23 November 2001 as subsequently amended and supplemented.

“**Monte Titoli**” means Monte Titoli S.p.A.

“**Monte Titoli Account Holder**” means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli.

“**Monthly Servicing Report**” means the monthly report, containing information as to the collections and recoveries to be made in respect of the Portfolio during the immediately preceding Collection Period, which the Servicers undertake to prepare and submit within each Monthly Servicing Report Date.

“**Monthly Servicing Report Date**” means the 10<sup>th</sup> calendar day of each month, or, if such day is not a Business Day, the next following Business Day.

“**Moody's**” means Moody's Investors Service Inc. and/or Moody's Investors Service Ltd and/or Moody's Italia S.r.l., as the case may be. In particular:

(1) Moody's Investors Service Inc. is not established in the European Union. The use in the European Union of credit ratings issued in the United States of America has been endorsed according to a decision by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 4(3) of the CRA Regulation; and

- (2) Moody's Investors Service Ltd and Moody's Italia S.r.l. are established in the European Union, have been registered in compliance with the requirements of the CRA Regulation, and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA.

**"Mortgage"** means the mortgage securities created on the Real Estate Assets pursuant to Italian law in order to secure the Mortgage Loans.

**"Mortgage Loan"** means each loan, secured by a Mortgage, granted to a Borrower and classified as performing and meeting the Criteria, the receivables in respect of which have been transferred by each of the Originators to the Issuer pursuant to the relevant Transfer Agreement, and **"Mortgage Loans"** means all of them.

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

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

**"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*.

**"Operating Bank"** means ICCREA Banca.

**"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.

**"Other Issuer Creditors"** means the Originators, the Servicers, the Representative of the Noteholders, the Agent Bank, the Operating Bank, the English Transaction Bank, the Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Back-up Servicer, the Corporate Services Provider, the Stichting Corporate Services Provider, the Cash Manager, the Computation Agent, the Irish Listing Agent, the Limited Recourse Loan Providers and the Back-Up Servicer Facilitator.

**"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 Claim on any date, the aggregate of all Principal Instalments owing by the relevant Borrower and scheduled to be paid on and/or after such date.

**"Payment Date"** means the 18<sup>th</sup> day of April, July, October and January in each year or, if any of such a date does not fall on a Business Day, the following Business Day, until the Final Maturity Date.

**"Payments Report"** means the report to be prepared by the Computation Agent pursuant to clause 6.3.1 of the Cash Administration and Agency Agreement.

**"Portfolio Negative Balance"** means with respect to any Payment Date and until full repayment of the Class A Notes, the difference, if positive, between:

- (a) all amounts due to be paid by the Issuer on such Payment Date under items from (*First*) to (*Sixth*) (included) and (*Eighth*) of the Acceleration Order of Priority, or items from (*First*) to (*Sixth*) (included) and (*Ninth*) of the Cross Collateral Order of Priority (as applicable), and
- (b) the Issuer Available Funds with respect to such Payment Date but excluding the amounts under item (x) of the Issuer Available Funds.

**"Portfolio No. 1"** means the portfolio of Claims which are sold to the Issuer by Banca Romagna Cooperativa pursuant to the relevant Transfer Agreement.

**"Portfolio No. 2"** means the portfolio of Claims which are sold to the Issuer by BCC di Forlì pursuant to the relevant Transfer Agreement.

**"Portfolio No. 3"** means the portfolio of Claims which are sold to the Issuer by Banca della Marca pursuant to the relevant Transfer Agreement.

**"Portfolio No. 4"** means the portfolio of Claims which are sold to the Issuer by BCC Trevigiano pursuant to the relevant Transfer Agreement.

**"Portfolio No. 5"** means the portfolio of Claims which are sold to the Issuer by BCC CentroMarca pursuant to the relevant Transfer Agreement.

**"Portfolio No. 6"** means the portfolio of Claims which are sold to the Issuer by BCC di Anghiari pursuant to the relevant Transfer Agreement.

**"Portfolio No. 7"** means the portfolio of Claims which are sold to the Issuer by BCC del Valdarno pursuant to the relevant Transfer Agreement.

**"Portfolio No. 8"** means the portfolio of Claims which are sold to the Issuer by BCC Vicentino pursuant to the relevant Transfer Agreement.

**"Portfolio No. 9"** means the portfolio of Claims which are sold to the Issuer by CRA di Brendola pursuant to the relevant Transfer Agreement.

**"Portfolio No. 10"** means the portfolio of Claims which are sold to the Issuer by BCC di Alba pursuant to the relevant Transfer Agreement.

**"Portfolio No. 11"** means the portfolio of Claims which are sold to the Issuer by Banca di Pistoia pursuant to the relevant Transfer Agreement.

**"Portfolio No. 12"** means the portfolio of Claims which are sold to the Issuer by BCC di Campiglia dei Berici pursuant to the relevant Transfer Agreement.

**"Portfolio No. 13"** means the portfolio of Claims which are sold to the Issuer by BCC Crediveneto pursuant to the relevant Transfer Agreement.

**"Portfolio No. 14"** means the portfolio of Claims which are sold to the Issuer by CrediUmbria BCC pursuant to the relevant Transfer Agreement.

**"Portfolio No. 15"** means the portfolio of Claims which are sold to the Issuer by BCC Pompiano e Franciacorta pursuant to the relevant Transfer Agreement.

**"Portfolio No. 16"** means the portfolio of Claims which are sold to the Issuer by Banca Adige Po

pursuant to the relevant Transfer Agreement.

“**Portfolio No. 17**” means the portfolio of Claims which are sold to the Issuer by BCC di Ancona pursuant to the relevant Transfer Agreement.

“**Portfolio No. 18**” means the portfolio of Claims which are sold to the Issuer by BCC di Bedizzole T.V. pursuant to the relevant Transfer Agreement.

“**Portfolio No. 19**” means the portfolio of Claims which are sold to the Issuer by BCC di Ostra e Morro d’Alba pursuant to the relevant Transfer Agreement.

“**Portfolio No. 20**” means the portfolio of Claims which are sold to the Issuer by BCC Adda e Cremasco pursuant to the relevant Transfer Agreement.

“**Portfolio No. 21**” means the portfolio of Claims which are sold to the Issuer by Banca San Biagio del Veneto Orientale pursuant to the relevant Transfer Agreement.

“**Portfolio No. 22**” means the portfolio of Claims which are sold to the Issuer by BCC di Gatteo pursuant to the relevant Transfer Agreement.

“**Portfolio No. 23**” means the portfolio of Claims which are sold to the Issuer by Romagna Est BCC pursuant to the relevant Transfer Agreement.

“**Portfolio No. 24**” means the portfolio of Claims which are sold to the Issuer by BCC Camerano pursuant to the relevant Transfer Agreement.

“**Portfolio No. 25**” means the portfolio of Claims which are sold to the Issuer by BCC di Monastier pursuant to the relevant Transfer Agreement.

“**Portfolio No. 26**” means the portfolio of Claims which are sold to the Issuer by RovigoBanca pursuant to the relevant Transfer Agreement.

“**Portfolio No. 27**” means the portfolio of Claims which are sold to the Issuer by Banca San Giorgio Quinto Valle Agno pursuant to the relevant Transfer Agreement.

“**Portfolio No. 28**” means the portfolio of Claims which are sold to the Issuer by BCC Valdinievole pursuant to the relevant Transfer Agreement.

“**Portfolio No. 29**” means the portfolio of Claims which are sold to the Issuer by BCC di Carate Brianza pursuant to the relevant Transfer Agreement.

“**Portfolio No. 30**” means the portfolio of Claims which are sold to the Issuer by BCC Malatestiana pursuant to the relevant Transfer Agreement.

“**Portfolios**” means all the Portfolios of monetary claims and connected rights arising under the Mortgage Loans transferred by the Originators to the Issuer further to the Transfer Agreements.

“**Pre-Acceleration Order of Priority**” means the order in which the Single Portfolio Available Funds shall be applied on each Payment Date prior to the service of a Cross Collateral Notice or a Trigger Notice in accordance with the Conditions and the Intercreditor Agreement.

“**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 mortgage loan agreement.

“**Principal Amortisation Reserve Amount**” means with respect to a Payment Date on which a Class A Disequilibrium 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.

“**Principal Amount Outstanding**” means, in respect of a Note, on any date, the principal amount of that Note upon issue less the aggregate amount of all principal payments in respect of that Note that have been paid to the Noteholders prior to such date.

“**Principal Instalment**” means, in respect of each Claim, the principal component of each Instalment.

“**Principal Payment**” means the principal amount in respect of each Note as determined in accordance with Condition 6.7.

“**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) € 36,668,027.69, to be paid to Banca Romagna Cooperativa, for the purchase of Portfolio No. 1; (ii) € 38,440,427.09, to be paid to BCC di Forlì, for the purchase of Portfolio No. 2; (iii) € 143,115,057.12, to be paid to Banca della Marca, for the purchase of Portfolio No. 3; (iv) € 112,510,896.27, to be paid to BCC Trevigiano, for the purchase of Portfolio No. 4; (v) € 47,549,128.11, to be paid to BCC CentroMarca, for the purchase of Portfolio No. 5; (vi) € 25,907,243.18, to be paid to BCC di Anghiari, for the purchase of Portfolio No. 6; (vii) € 21,112,968.28, to be paid to BCC del Valdarno, for the purchase of Portfolio No. 7; (viii) € 29,531,375.89, to be paid to BCC Vicentino, for the purchase of Portfolio No. 8; (ix) € 70,551,732.37, to be paid to CRA di Brendola, for the purchase of Portfolio No. 9; (x) € 92,576,557.37, to be paid to BCC di Alba, for the purchase of Portfolio No. 10; (xi) € 30,084,166.27, to be paid to Banca di Pistoia, for the purchase of Portfolio No. 11; (xii) € 14,010,575.10, to be paid to BCC di Campiglia dei Berici, for the purchase of Portfolio No. 12; (xiii) € 34,275,679.58, to be paid to BCC Crediveneto, for the purchase of Portfolio No. 13; (xiv) € 33,450,032.73, to be paid to CrediUmbria BCC, for the purchase of Portfolio No. 14; (xv) € 104,603,491.73, to be paid to BCC Pompiano e Franciacorta, for the purchase of Portfolio No. 15; (xvi) € 18,774,301.58, to be paid to Banca Adige Po, for the purchase of Portfolio No. 16; (xvii) € 15,582,472.62, to be paid to BCC di Ancona, for the purchase of Portfolio No. 17; (xviii) € 18,507,237.84, to be paid to BCC di Bedizzole T.V., for the purchase of Portfolio No. 18; (xix) € 9,885,062.95, to be paid to BCC di Ostra e Morro d’Alba, for the purchase of Portfolio No. 19; (xx) € 33,050,222.62, to be paid to BCC Adda e Cremasco, for the purchase of Portfolio No. 20; (xxi) € 65,113,193.09, to be paid to Banca San Biagio del Veneto Orientale, for the purchase of Portfolio No. 21; (xxii) € 23,671,364.09, to be paid to BCC di Gatteo, for the purchase of Portfolio No. 22; (xxiii) € 46,160,267.02, to be paid to Romagna Est BCC, for the purchase of Portfolio No. 23; (xxiv) € 16,689,093.61, to be paid to BCC Camerano, for the purchase of Portfolio No. 24; (xxv) € 158,276,456.37, to be paid to BCC di Monastier, for the purchase of Portfolio No. 25; (xxvi) € 50,095,763.81, to be paid to RovigoBanca, for the purchase of Portfolio No. 26; (xxvii) € 75,344,673.07, to be paid to Banca San Giorgio Quinto Valle Agno, for the purchase of Portfolio No. 27; (xxviii) € 35,574,731.47, to be paid to BCC Valdinievole, for the purchase of Portfolio No. 28; (xxix) € 98,240,922.18, to be paid to BCC di Carate Brianza, for the purchase of Portfolio No. 29 and (xxx) € 83,085,846.76, to be paid to BCC Malatestiana, for the purchase of Portfolio No. 30.

“**Quarterly Servicing Report**” means the quarterly report, containing information as to the collections and recoveries to be made in respect of the Portfolio during the immediately preceding Collection Period, which the Servicers undertake to prepare and submit within each Quarterly Servicing Report Date.

“**Quarterly Servicing Report Date**” means the 10<sup>th</sup> calendar day following the end of each Collection Period or if such a day is not a Business Day, the next following Business Day.

**“Quotaholder”** means Stichting Erice.

**“Quotaholder’s Agreement”** means the quotaholder’s agreement to be entered into between the Issuer, the Representative of the Noteholders, ICCREA Banca and Stichting Erice.

**"Rating Agencies"** means Moody's Italia S.r.l. and/or DBRS 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, each a **"Rating Agency"**.

**“Real Estate Assets”** means any real estate property which has been mortgaged in favour of the Originators to secure the Claims.

**"Receiver"** means any receiver, manager or administrative receiver appointed in accordance with Clause 9 (*Appointment of Receiver*) of the Deed of Charge.

**“Relevant”** when applied to the term “Portfolio” with respect to a Series of Class B Notes, means the Portfolio sold by the Originator that subscribes for such Series of Class B Notes pursuant to the Notes Subscription Agreement and *vice versa* when applied to the term “Series of Class B Notes” with respect to a Portfolio, means the Series of Class B Notes subscribed for by the Originator that sold such Portfolio and in general, Relevant Portfolio means the Portfolio sold by the relevant Originator; the same rule of interpretation shall apply to any other term which contains the words “Portfolio” or respectively “Series of Class B Notes” or which is directly and univocally linked to any of them.

**"Relevant Cash Reserve Available Amount"** means, with respect to any Payment Date and each Originator:

- (i) in relation to calculations under Clauses 15.2 (ii), 15.3 and 15.4 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 Account on the Issue Date; and
  - (b) with respect to any Payment Date thereafter, (1) the amount standing to the credit of the Relevant Cash Reserve Account on the immediately preceding Payment Date (after application of the amount standing to the credit of the Relevant Cash Reserve Account in accordance with the applicable Order of Priority) plus (2) with respect to payments under Clauses 15.1(a)(i) and 15.3 (ii), the amounts credited to the Relevant Cash Reserve Account on the same Payment Date; and
- (ii) in relation to calculations under Clauses 15.2 (x) and (y) below, the difference, if positive, between:
  - (a) the amount indicated under item (i) above, and
  - (b) any payments made under Clause 15.1(a)(i) and (ii) 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 (under item (ii) of the relevant definition) related to all the Originators as at such Payment Date;
- (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 Portfolio Negative Balance calculated as at the Calculation Date immediately preceding such Payment Date; and
  - (y) the sum of the Relevant Cash Reserve Available Amount (under item (i) of the relevant definition) related to all the Originators as at such Payment Date.

“**Relevant Date**” has the meaning ascribed to it pursuant to Condition 14.

“**Relevant Margin**” means 0.30% per annum.

“**Reserve Account**” means the account opened by the Issuer with the Transaction Bank 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.

“**Reserve Amount**” means, with respect to each Payment Date on which the Pre-Acceleration Order of Priority applies, an amount equal to the difference, if a positive number, between:

- (i) € 4,000,000; and
- (ii) the amount standing to the credit of the Reserve Account as at the Collection Date immediately preceding such Payment Date.

“**Reserve Amount Quota**” means:

- (1) with respect to each Payment Date on which the Pre-Acceleration Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
  - (A) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority; and
  - (B) the amount calculated as follows:
    - (i) the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio Available Funds under items (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority;

multiplied by

- (ii) the ratio between:
  - (x) the Reserve Amount as at such Payment Date and
  - (y) the aggregate of the amounts calculated for each of the Portfolios as the difference, if positive, between (a) the relevant Single Portfolio Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the relevant Single Portfolio

Available Funds under items from (*First*) to (*Twelfth*) of the Pre-Acceleration Order of Priority; and

- (2) with respect to each Payment Date on which the Cross Collateral Order of Priority applies, on which a Detrimental Event has occurred and with respect to each Portfolio, the lower of:
- (A) the Reserve Amount; and
  - (B) the difference, if positive, between (a) the Issuer Available Funds, and (b) the aggregate of all amounts to be paid by the Issuer on such Payment Date out of the Issuer Available Funds under items from (*First*) to (*Ninth*) of the Cross Collateral Order of Priority.

“**Retention Amount**” means an amount equal to € 50,000.

“**Security Documents**” means the Deed of Pledge and the Deed of Charge.

“**Security Interest**” means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

“**Security Trustee**” means Deutsche Trustee Company Limited or any other person from time to time acting as Security Trustee.

“**Senior Noteholders**” means the Class A Noteholders.

“**Senior Notes**” means the Class A Notes.

“**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 relevant Claims collected during the immediately preceding Collection Period, 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) the aggregate amount of the Principal Instalments of the relevant Pre-paid Claims that have been prepaid during the immediately preceding Collection Period;
- (iii) the Outstanding Principal of the relevant Claims 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 the relevant Claims 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 renegotiations of the Mortgage Loan Agreements of the Relevant Portfolio in accordance with the Servicing Agreement;
- (v) any repurchase price of the relevant Claims received in the immediately preceding Collection Period;
- (vi) the relevant Single Portfolio Amortised Principal unpaid at the previous Payment Date; and
- (vii) only on the Payment Date on which the Single Portfolio Class A Notes Principal Amount

Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority), an amount equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding (which would otherwise remain outstanding following payments under items from (i) to (vi) above).

**“Single Portfolio Available Funds”** means, in respect of each Payment Date and each Portfolio, the aggregate (without duplication) of:

- (i) all the Collections received by the Issuer, through the Servicer, during the immediately preceding Collection Period in relation to the Claims of the Relevant Portfolio;
- (ii) all other amounts transferred during the immediately preceding Collection Period from the relevant Transitory Collections and Recoveries Account into the Collections and Recoveries Account;
- (iii) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing to the credit of each of the Accounts (except for the Expenses Account and the Quota Capital Account) during the immediately preceding Collection Period and of any profit and accrued interest received under the Eligible Investments made in respect of the immediately preceding Collection Period;
- (iv) all amounts paid into the credit of the relevant Principal Amortisation Reserve Account in the immediately preceding Payment Date;
- (v) the relevant Outstanding Notes Ratio of all interest accrued and paid on the amounts standing from time to time to the credit of the Expenses Account during the immediately preceding Collection Period;
- (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 Mortgage 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 other amounts paid into the Payments Account during the immediately preceding Collection Period other than the Single Portfolio Available Funds utilised on the immediately preceding Payment Date, and in relation to the First Payment Date only, the relevant Issue Price Difference;
- (viii) the amounts paid into the Reserve Account in the preceding Payment Date out of the relevant Single Portfolio Available Funds;
- (ix) with respect to each Payment Date on which a Single Portfolio Detrimental Event has not occurred, the difference, if positive, between (a) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds and (b) the amount calculated as follows: (I) the amounts paid into the relevant Single Portfolio Reserve Account in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds, multiplied by (II) the ratio between (x) the amount equal to the difference between the Target Cash Reserve Amount and the Relevant Cash Reserve (calculated taking into account any amount to be paid on such Payment Date), and (y) the aggregate of all amounts paid into all Single Portfolio Reserve Accounts in any preceding Payment Date and not yet utilised as Single Portfolio Available Funds;

- (x) until full repayment of the Class A Notes
  - (a) the amount of the Relevant Cash Reserve (augmented, if necessary, by the amount made available on such Payment Date by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) necessary exclusively to pay amount due under items from (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date, and
  - (b) the amount equal to the difference (if positive) between (i) the amount of the Relevant Cash Reserve (including amounts to be credited on the Relevant Cash Reserve Account on such Payment Date and augmented as the case may be by the amount made available by the other Relevant Cash Reserves pursuant to the terms of the Cash Administration and Agency Agreement) available after making the payments under letter (a) above, and (ii) an amount equal to 4% of the Principal Amount Outstanding of the Class A Notes as at the day following the immediately preceding Payment Date, in respect of payments ranking as (*Ninth*) of the Pre-Acceleration Order of Priority, in the event of a shortfall of the relevant Single Portfolio Available Funds in respect of such amounts on such Payment Date
  - (c) only on the Payment Date on which the amount under item (vii) of the Single Portfolio Amortised Principal is to be utilised towards payment of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, a corresponding amount of the Relevant Cash Reserve; and
  - (d) on the Final Maturity Date the amount of the Relevant Cash Reserve necessary to pay in full the relevant Single Portfolio Class A Notes Principal Amount Outstanding;
- (xi) the Cash Reserve Excess of the Relevant Portfolio;
- (xii) any amount received on the same Payment Date under item (*Tenth*) of the Pre Acceleration Order of Priority of each of the other Portfolios.

“**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 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;

provided that on the Final Maturity Date each Single Portfolio Class A Notes Principal Payment Amount will be equal to the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

“**Single Portfolio Detrimental Event**” has the meaning ascribed to it in Condition 4.4.

“**Single Portfolio Initial Class A Notes Principal Amount Outstanding**” means (i) with respect to

Portfolio No. 1 the Principal Amount Outstanding as at the Issue Date of 2.32% of the Class A Notes, equal to Euro 30,900,000; (ii) with respect to Portfolio No. 2 the Principal Amount Outstanding as at the Issue Date of 2.43% of the Class A Notes, equal to Euro 32,400,000; (iii) with respect to Portfolio No. 3 the Principal Amount Outstanding as at the Issue Date of 9.05% of the Class A Notes, equal to Euro 120,600,000; (iv) with respect to Portfolio No. 4 the Principal Amount Outstanding as at the Issue Date of 7.11% of the Class A Notes, equal to Euro 94,800,000; (v) with respect to Portfolio No. 5 the Principal Amount Outstanding as at the Issue Date of 3.01% of the Class A Notes, equal to Euro 40,100,000; (vi) with respect to Portfolio No. 6 the Principal Amount Outstanding as at the Issue Date of 1.64% of the Class A Notes, equal to Euro 21,800,000; (vii) with respect to Portfolio No. 7 the Principal Amount Outstanding as at the Issue Date of 1.34% of the Class A Notes, equal to Euro 17,800,000; (viii) with respect to Portfolio No. 8 the Principal Amount Outstanding as at the Issue Date of 1.87% of the Class A Notes, equal to Euro 24,900,000; (ix) with respect to Portfolio No. 9 the Principal Amount Outstanding as at the Issue Date of 4.46% of the Class A Notes, equal to Euro 59,400,000; (x) with respect to Portfolio No. 10 the Principal Amount Outstanding as at the Issue Date of 5.85% of the Class A Notes, equal to Euro 78,000,000; (xi) with respect to Portfolio No. 11 the Principal Amount Outstanding as at the Issue Date of 1.90% of the Class A Notes, equal to Euro 25,300,000; (xii) with respect to Portfolio No. 12 the Principal Amount Outstanding as at the Issue Date of 0.89% of the Class A Notes, equal to Euro 11,800,000; (xiii) with respect to Portfolio No. 13 the Principal Amount Outstanding as at the Issue Date of 2.17% of the Class A Notes, equal to Euro 28,900,000; (xiv) with respect to Portfolio No. 14 the Principal Amount Outstanding as at the Issue Date of 2.12% of the Class A Notes, equal to Euro 28,200,000; (xv) with respect to Portfolio No. 15 the Principal Amount Outstanding as at the Issue Date of 6.61% of the Class A Notes, equal to Euro 88,100,000; (xvi) with respect to Portfolio No. 16 the Principal Amount Outstanding as at the Issue Date of 1.19% of the Class A Notes, equal to Euro 15,800,000; (xvii) with respect to Portfolio No. 17 the Principal Amount Outstanding as at the Issue Date of 0.98% of the Class A Notes, equal to Euro 13,100,000; (xviii) with respect to Portfolio No. 18 the Principal Amount Outstanding as at the Issue Date of 1.17% of the Class A Notes, equal to Euro 15,600,000; (xix) with respect to Portfolio No. 19 the Principal Amount Outstanding as at the Issue Date of 0.62% of the Class A Notes, equal to Euro 8,300,000; (xx) with respect to Portfolio No. 20 the Principal Amount Outstanding as at the Issue Date of 2.09% of the Class A Notes, equal to Euro 27,800,000; (xxi) with respect to Portfolio No. 21 the Principal Amount Outstanding as at the Issue Date of 4.12% of the Class A Notes, equal to Euro 54,900,000; (xxii) with respect to Portfolio No. 22 the Principal Amount Outstanding as at the Issue Date of 1.49% of the Class A Notes, equal to Euro 19,900,000; (xxiii) with respect to Portfolio No. 23 the Principal Amount Outstanding as at the Issue Date of 2.92% of the Class A Notes, equal to Euro 38,900,000; (xxiv) with respect to Portfolio No. 24 the Principal Amount Outstanding as at the Issue Date of 1.06% of the Class A Notes, equal to Euro 14,100,000; (xxv) with respect to Portfolio No. 25 the Principal Amount Outstanding as at the Issue Date of 10.00% of the Class A Notes, equal to Euro 133,300,000; (xxvi) with respect to Portfolio No. 26 the Principal Amount Outstanding as at the Issue Date of 3.17% of the Class A Notes, equal to Euro 42,200,000; (xxvii) with respect to Portfolio No. 27 the Principal Amount Outstanding as at the Issue Date of 4.76% of the Class A Notes, equal to Euro 63,500,000; (xxviii) with respect to Portfolio No. 28 the Principal Amount Outstanding as at the Issue Date of 2.25% of the Class A Notes, equal to Euro 30,000,000; (xxix) with respect to Portfolio No. 29 the Principal Amount Outstanding as at the Issue Date of 6.21% of the Class A Notes, equal to Euro 82,800,000; (xxx) with respect to Portfolio No. 30 the Principal Amount Outstanding as at the Issue Date of 5.25% of the Class A Notes, equal to Euro 70,000,000.

**"Single Portfolio Negative Balance"** means with respect to any Payment Date on which the Pre-Acceleration Order of Priority applies and until full repayment of the Class A Notes, the difference, if positive, between:

- (a) all amounts due to be paid by the Issuer on such Payment Date under items from (*First*) to (*Sixth*) (included) and (*Ninth*) of the Pre-Acceleration Order of Priority, and
- (b) the Single Portfolio Available Funds with respect to such Payment Date but excluding the amounts under item (x) of the Single Portfolio Available Funds.

**“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;
- (iv) with respect to Portfolio No. 4 the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B4 Notes;
- (v) with respect to Portfolio No. 5, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B5 Notes;
- (vi) with respect to Portfolio No. 6, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B6 Notes;
- (vii) with respect to Portfolio No. 7, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B7 Notes;
- (viii) with respect to Portfolio No. 8, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B8 Notes;
- (ix) with respect to Portfolio No. 9, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B9 Notes;
- (x) with respect to Portfolio No. 10, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B10 Notes;
- (xi) with respect to Portfolio No. 11, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B11 Notes;
- (xii) with respect to Portfolio No. 12, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B12 Notes;
- (xiii) with respect to Portfolio No. 13, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B13 Notes;
- (xiv) with respect to Portfolio No. 14, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B14 Notes;
- (xv) with respect to Portfolio No. 15, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B15 Notes;
- (xvi) with respect to Portfolio No. 16, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B16 Notes;
- (xvii) with respect to Portfolio No. 17, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B17 Notes;
- (xviii) with respect to Portfolio No. 18, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B18 Notes;

- (xix) with respect to Portfolio No. 19, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B19 Notes;
- (xx) with respect to Portfolio No. 20, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B20 Notes;
- (xxi) with respect to Portfolio No. 21, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B21 Notes;
- (xxii) with respect to Portfolio No. 22, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B22 Notes;
- (xxiii) with respect to Portfolio No. 23, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B23 Notes;
- (xxiv) with respect to Portfolio No. 24, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B24 Notes;
- (xxv) with respect to Portfolio No. 25, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B25 Notes;
- (xxvi) with respect to Portfolio No. 26, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B26 Notes;
- (xxvii) with respect to Portfolio No. 27, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B27 Notes;
- (xxviii) with respect to Portfolio No. 28, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B28 Notes;
- (xxix) with respect to Portfolio No. 29, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B29 Notes;
- (xxx) with respect to Portfolio No. 30, the aggregate of the relevant Single Portfolio Class A Notes Principal Amount Outstanding and the Principal Amount Outstanding of the Class B30 Notes;

in each case as at the immediately preceding Collection Date.

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

1. the relevant Single Portfolio Available Funds, and
2. the aggregate of all amounts to be paid by the Issuer out of such Single Portfolio Available Funds under items (*First*) to (*Eleventh*) of the Pre-Acceleration Order of Priority.

“**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 lesser 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
- (i) the Principal Amount Outstanding of such Series of Class B Notes.

“**Single Series Class B Notes 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 accrued on the Claims of the Relevant Portfolio in the immediately preceding Collection Period (excluding Interest Accruals); *plus*
- (ii) the aggregate of all fees for prepayment paid on the Claims of the Relevant Portfolio in the immediately preceding Collection Period; *plus*
- (iii) 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*
- (iv) 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*
- (v) (a) the relevant Outstanding Notes Ratio of all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Payments Account, the Expenses Account and the Collection and Recoveries Account and paid into the same during the immediately preceding Collection Period; and (b) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the relevant Transitory Collections and Recoveries Account, Single Portfolio Reserve Account, Principal Amortisation Reserve Account and Cash Reserve Account and paid into the same during the immediately preceding Collection Period; and (c) all amounts of interest (if any) accrued and paid on the amounts standing from time to time to the credit of the Reserve Account which were paid into it out of the relevant Single Portfolio Available Funds, during the immediately preceding Collection Period; *plus*
- (vi) the relevant Outstanding Notes Ratio of all profit and accrued interest (if any) received under the Eligible Investments made in respect of the immediately preceding Collection Period; *plus*
- (vii) the Cash Reserve Excess of the Relevant Portfolio; *minus*
- (viii) (a) 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*) to (*Sixth*) of the Pre Acceleration Order of Priority, or  
  
(b) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Acceleration Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*), (*Fourth*), (*Sixth*) and (*Ninth*) of the Acceleration Order of Priority, or  
  
(c) the aggregate of all amounts due to be paid by the Issuer on the next following Payment Date under item (*Fifth*) of the Cross Collateral Order of Priority to the Servicer (or the Back-up Servicer) of the Relevant Portfolio, plus the relevant Outstanding Notes Ratio of all amounts due to be paid by the Issuer on the next following Payment Date under items (*First*), (*Second*), (*Third*), (*Fourth*), (*Sixth*), (*Seventh*) and (*Eleventh*) of the Cross Collateral Order of Priority; *minus*
- (ix) 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.



“**Specific Criteria**” means the specific criteria used for the selection of the Claims for each Originator.

“**Specified Office**” means the office of the (i) Italian Paying Agent located at Via M. Gioia, 8, 20124 Milano, Italy, or (ii) Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB or (iii) Irish Listing Agent located at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, as the case may be.

“**Stichting Corporate Services Provider**” means Wilmington Trust SP Services (London) Ltd., or any other person from time to time acting as Stichting Corporate Services Provider.

“**Successor**” means, in relation to any person, an assignee or successor in title of such person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under this Agreement or to which under such laws the same have been transferred.

“**Three Month EURIBOR**” means Euribor for three months deposits calculated as provided for in Condition 5.2.1.

“**Transfer Date**” means 23 April 2012.

“**Transparency Directive**” means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

“**Trigger Event**” has the meaning ascribed to it in Condition 9 of the Notes.

“**Trigger Notice**” has the meaning ascribed to it in Condition 9 of the Notes.

“**Unpaid Instalment**” means any Instalment that is not duly paid by the relevant Borrower on 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 30 November 2011.

## 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 article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998 and regulation of 22 February 2008 jointly issued by the Bank of Italy and CONSOB, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.
- (3) Class A Notes shall be issued in denominations of Euro 100,000. Each Series of Class B Notes will be issued in denominations of Euro 1,000.
- (4) The Issuer has elected Ireland as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the “**Transparency Directive**”).

- (5) 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 Portfolio 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 acknowledgement that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*", any payment obligations of the Issuer under the Notes as have 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 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), shall be deemed extinguished as if the relevant claims had hereby been irrevocably relinquished 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 rights arising from the Security Documents in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights. 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 (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 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 (*Order 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 protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretion of the Representative of the Noteholders under or in connection with the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is or may be a conflict between the interests of the Noteholders of any Class(es) of Notes, the Representative of the Noteholders is required to regard only the interests of the Class of Noteholders ranking highest in the applicable Order of Priority, until such Class of Notes has been redeemed in full.
- (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 one year plus one day has elapsed since the day on which the Notes and any other notes issued by the Issuer under any further securitisations in accordance with Condition 3.10 have been paid in full or cancelled.

### **3. COVENANTS**

So long as any amount in respect of the Notes remains outstanding, the Issuer shall not, save (i) with the prior written consent of the Representative of the Noteholders (without prejudice to the provision of Condition 3.10 below) or as provided for in or envisaged by any of the Transaction Documents and (ii) in respect to the sale in full of the Portfolio, subject to the Issuer having sufficient funds to redeem in full the Class A Notes in accordance with the applicable Order of Priority:

#### **3.1 Negative pledge**

create or permit to subsist any Security Interest whatsoever upon, or with respect to the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Transaction or undertakings (other than under the Security Documents) or sell, lend, part with or otherwise dispose of all or any part of the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Transaction whether in one transaction or in a series of transactions save where provided in the Transaction Documents and in particular in Condition 6.2, 6.4 and 6.5; or

#### **3.2 Restrictions on activities**

- (a) save as provided in Condition 3.10 below (*Further Securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or
- (b) have any *società controllata* (subsidiary) or *società collegata* (affiliate company) (as defined in article 2359 of the 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 to the interests of the Class A Noteholders or, if no Class A Notes are outstanding, the Class B Noteholders under the Transaction Documents; 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, 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 and/or suspension from the register of the special purpose vehicles held by Bank of Italy pursuant to the Bank of Italy's regulation dated 29 April 2011, for as long as the Securitisation Law, the Bank of Italy's regulations or any other applicable law or regulation requires the company incorporated pursuant to the Securitisation Law to be registered thereon; 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 in circumstances expressly provided and/or permitted in the Transaction Documents 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, unless in connection with, or for the purposes of, the Transaction; 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. In addition, in relation to corporate records, financial statements and books of account, the Issuer shall not, save what provided in the Transaction Documents, permit or consent to any of the following occurring:

- (a) its books and records being maintained with or co-mingled with those of any other person or entity;
- (b) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or
- (c) its assets or revenues being co-mingled with those of any other person or entity;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (a) separate financial statements in relation to its financial affairs are maintained;
- (b) all corporate formalities with respect to its affairs are observed;
- (c) separate stationery, invoices and cheques are used;
- (d) it always holds itself out as a separate entity; and
- (e) any known misunderstandings regarding its separate identity are corrected as soon as possible; or

### **3.10 Further securitisations**

carry out other securitisation transactions or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, act, deed or agreement in connection with any other securitisation transaction without the prior written confirmation of the Rating Agencies that any such securitisation transaction will not adversely affect the rating of any of the Class A Notes.

## **4. ORDERS OF PRIORITY**

### **4.1 Pre-Acceleration Order Of Priority**

Save for the provisions of Condition 4.5 and 4.6, the Single Portfolio Available Funds relating to each of 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 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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain 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;

*Third*, to pay into the Expenses Account the relevant Outstanding Notes Ratio of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay the fees and expenses of the Servicer in respect of the Relevant Portfolio pursuant to the Servicing Agreement and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be (to the extent not expressly included in any following item);

*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Single Portfolio Class A Notes Principal Amount Outstanding on such Payment Date;

*Seventh*, to credit the relevant Cash Reserve Account with the amount required, if any, such that the amount standing to the credit of the relevant Cash Reserve Account (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount;

*Eighth*, 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 the terms of the Warranty and Indemnity Agreement;

*Ninth*, to pay the relevant Single Portfolio Class A Notes Principal Payment Amount;

*Tenth*, to increase (*pari passu* and *pro rata* according to the amounts then due) the Single Portfolio Available Funds of each other Portfolio for an amount equal to the corresponding portion of Cash Reserve of each other Portfolio which has been utilized to augment the Single Portfolio Available Funds of the Relevant Portfolio (deducted by (i) the amount due by each corresponding other Portfolio under the same item of its Pre Acceleration Order of Priority and (ii) any amount already paid under this item in any preceding Payment Date).

*Eleventh*, upon the occurrence of a Class 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;

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

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

*Fourteenth*, to pay to the relevant Originator the Interest Accruals in relation to its Relevant Portfolio;

*Fifteenth*, 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 (*Eighth*) above) and pursuant to the Subscription Agreement;

*Sixteenth*, to pay to the relevant Originator, any amount due and payable as restitution of the insurance price and relevant expenses advanced by it under the relevant Transfer Agreement;

*Seventeenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to the relevant Limited Recourse Loan Provider under the Limited Recourse Loan Agreement;

*Eighteenth*, to pay the Single Series Class B Notes 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 (*pro rata* according to the amounts then due);

*Nineteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds;

*Twentieth*, 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 Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator.

**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 Class 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 Accounts 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 Class A Disequilibrium Event has not occurred. A Class 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 all or some of the other Portfolios are sufficient to reduce to zero the relevant Single Portfolio Class A Notes Principal Amount Outstanding.

**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 Class 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 Reserve Amount into the 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 the Cash Reserve (calculated taking into account any amount to be paid into and out of the Cash Reserve Accounts on such Payment Date) is less than 80% (*eighty*) of the aggregate of the 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 Class A Disequilibrium Event has occurred, following a written notice from the Computation Agent to the Issuer and the

Representative of the Noteholders, that a Single Portfolio Detrimental Event has occurred with respect to one or more Portfolios, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to the Relevant Portfolio into the relevant Single Portfolio Reserve Account. Such Single Portfolio Reserve Amount shall be drawn only from the Portfolios in relation to which a Single Portfolio Detrimental Event has not occurred.

A 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 Cash Reserve (calculated taking into account any amount to be paid into and out of the Cash Reserve Accounts on such Payment Date) is less than 50% (*fifty*) of the aggregate of the Target Cash Reserve Amounts. Upon the occurrence of a Single Portfolio Detrimental Event with respect to one or more Portfolios, and on each following Payment Date until such event is continuing, the Issuer shall be obliged to credit the Single Portfolio Reserve Amount with respect to each Portfolio having enough funds available for such purpose into the relevant Single Portfolio Reserve Account.

#### **4.5 Acceleration Order of Priority**

In each of the following cases: (i) following the delivery of a Trigger Notice, (ii) in the case of Redemption for Taxation, or (iii) in the case of Optional Redemption, 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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain 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 and the Receiver;

*Third*, to pay into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay to each Servicer all the fees and expenses pursuant to the Servicing Agreement (*pro rata* according to the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be, to the extent not expressly included in any following item;

*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Class A Notes on such Payment Date;



*Seventh*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

*Eighth*, to pay (*pari passu* and *pro rata* according to the amounts then due) the Principal Amount Outstanding on the Class A Notes on such Payment Date;

*Ninth*, to pay to each Originator (*pari passu* and *pro rata* to the amounts then due), the difference (if positive) accrued on any preceding Payment Date on which the Cross Collateral Order of Priority or the Acceleration Order of Priority has applied, between (i) the amounts it would have received under items (*Fourteenth*) to (*Twentieth*) of the Pre Acceleration Order of Priority, had the Pre Acceleration Order of Priority been applied, and (ii) the amounts it actually received under items (*Twelfth*) to (*Eighteenth*) of the Cross Collateral Order of Priority and under items (*Tenth*) to (*Sixteenth*) of the Acceleration Order of Priority (less any amount already paid under this item and under item (*Eleventh*) of the Cross Collateral Order of Priority on any preceding Payment Date), provided that, should an Originator cease to be a Class B Noteholders, starting from the immediately following Payment Date, the difference accrued in respect of each of the above indicated items shall be paid to the Originators, the Class B Noteholders and the Limited Recourse Loan Providers in the same priority applicable to each item in respect of which each such difference is calculated;

*Tenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) the Interest Accruals with respect to the Relevant Portfolio;

*Eleventh*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) 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 (*Seventh*) above) and pursuant to the Subscription Agreement;

*Twelfth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due and payable as restitution of the insurance price and relevant expenses advanced by such Originator under the relevant Transfer Agreement;

*Thirteenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to each Limited Recourse Loan Provider under the Limited Recourse Loan Agreement (*pro rata* according to the performance of the Relevant Portfolio);

*Fourteenth*, to pay the Single Series Class B Notes 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);

*Fifteenth*, following full redemption of the Class A Notes, to redeem the Principal Amount Outstanding of each Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds (*pari passu* and *pro rata* to the extent of the respective amounts thereof);

*Sixteenth*, to pay any surplus standing to the credit of any of the Accounts to each Originator (*pro rata* according to the performance of the Relevant Portfolio).

#### **4.6 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*, (*pari passu* and *pro rata* to the extent of the respective amounts thereof) to pay (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 fulfill payment obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Transaction to the extent that such costs, taxes and expenses are not met by utilising the amount standing to the credit of the Expenses Account (ii) all costs and taxes required to be paid to maintain 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;

*Third*, to pay into the Expenses Account the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account as at such Payment Date is equal to the Retention Amount;

*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 Cash Manager, the Computation Agent, the Agent Bank, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Paying Agents, the Irish Listing Agent, the Corporate Services Provider, the Stichting Corporate Services Provider and the Back-Up Servicer Facilitator;

*Fifth*, to pay the fees and expenses of the Servicers pursuant to the Servicing Agreement (*pro rata* according to the performance of the Relevant Portfolio) and/or to the Back-up Servicer pursuant to the Back-up Servicing Agreement, as the case may be (to the extent not expressly provided in any following item);

*Sixth*, to pay (*pari passu* and *pro rata* according to the amounts then due) all amounts of interest due and payable on the Class A Notes on such Payment Date;

*Seventh*, to credit, *pari passu* and *pro rata* according to the amounts then due, each Cash Reserve Account with the amount required, if any, such that the amount standing to the credit of the relevant Cash Reserve Account (calculated on the day following the immediately preceding Payment Date) equals the relevant Target Cash Reserve Amount;

*Eighth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due by the Issuer as a restitution of the indemnities paid by such Originator to the Issuer under the terms of the Warranty and Indemnity Agreement;

*Ninth*, to pay (*pari passu* and *pro rata* according to the amounts then due) the Class A Notes Principal Payment Amount;

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

*Eleventh*, to pay to each Originator (*pari passu* and *pro rata* to the amounts then due), the difference (if positive) accrued on any preceding Payment Date on which the Cross Collateral Order of Priority has applied, between (i) the amounts it would have received under items (*Fourteenth*) to (*Twentieth*) of the Pre Acceleration Order of Priority, had the Pre Acceleration

Order of Priority been applied, and (ii) the amounts it actually received under items (*Twelfth*) to (*Eighteenth*) of the Cross Collateral Order of Priority (less any amount already paid under this item on any preceding Payment Date), provided that, should an Originator cease to be a Class B Noteholders, starting from the immediately following Payment Date, the difference accrued in respect of each of the above indicated items shall be paid to the Originators, the Class B Noteholders and the Limited Recourse Loan Providers in the same priority applicable to each item in respect of which each such difference is calculated.

*Twelfth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) the Interest Accruals with respect to the Relevant Portfolio;

*Thirteenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) 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 (*Eighth*) above) and pursuant to the Subscription Agreement;

*Fourteenth*, to pay to each Originator (*pro rata* according to the performance of the Relevant Portfolio) any amount due and payable as restitution of the insurance price and relevant expenses advanced by such Originator under the relevant Transfer Agreement;

*Fifteenth*, to pay the Single Series Class B Notes 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, to redeem the Principal Amount Outstanding of the relevant Series of Class B Notes in the maximum amount of the relevant Single Series Available Class B Notes Redemption Funds;

*Seventeenth*, from (and including) the Payment Date on which the Class A Notes are repaid in full, to repay any amounts of principal due and payable to each Limited Recourse Loan Provider under the Limited Recourse Loan Agreement (*pro rata* according to the performance of the Relevant Portfolio);

*Eighteenth*, 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 Transitory Collections and Recoveries Account, Single Portfolio Reserve Account and Principal Amortisation Reserve Account and the relevant Outstanding Notes Ratio of any surplus remaining on the balance of the Payments Account, the Collections and Recoveries Account, Reserve Account and Expenses Account to each relevant Originator (*pro rata* according to the performance of the Relevant Portfolio).

**4.7** Before the delivery of a Trigger Notice or a Cross Collateral Notice and until full repayment of the Class A Notes, each Relevant Cash Reserve:

- a. firstly, shall provide support (being included in the relevant Single Portfolio Available Funds) with respect to the Relevant Portfolio in respect of payments under items (*First*) to (*Sixth*) of the Pre-Acceleration Order of Priority;
- b. secondly, (to the extent not utilised under item (a) above), shall augment the Single Portfolio Available Funds in respect of the other Portfolios, pursuant to the terms of the Cash Administration and Agency Agreement, in case any of the other Relevant Cash Reserves is not sufficient to meet the Single Portfolio Negative Balance of the

## Relevant Portfolio.

In addition (i) on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority), the Relevant Cash Reserve of each Portfolio will be utilised to such purpose, and (ii) on the Final Maturity Date each Relevant Cash Reserve (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority) will be utilised towards payment of the Single Portfolio Class A Notes Principal Amount Outstanding of the relevant Portfolio.

- 4.8** 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 Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement), shall provide support (being included in the Issuer Available Funds) with respect to all Portfolios in respect of payments under items (*First*) to (*Sixth*) of the Cross Collateral Order of Priority or the Acceleration Order of Priority (as applicable).

In addition (i) on the Payment Date on which the Single Portfolio Class A Notes Principal Amount Outstanding of each Portfolio may be redeemed in full by utilising for each Portfolio the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Cross Collateral Order of Priority), the Cash Reserves (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) will be utilised to such purpose, and (ii) on the earlier of the Final Maturity Date and the first Payment Date on which the Acceleration Order of Priority applies, the Cash Reserves (available on such Payment Date following payment in full of all items ranking higher in the Pre-Acceleration Order of Priority or the Cross Collateral Order of Priority, as applicable) will be utilised (each for an amount as determined pursuant to the terms of the Cash Administration and Agency Agreement) to redeem in full the Class A Notes.

## **5. INTEREST**

### **5.1 Payment Dates and Interest Periods**

Each of the Class A Notes bears interest on its Principal Amount Outstanding from (and including) the Issue Date at an annual rate equal to the lower of (i) Three Month EURIBOR (as defined below), (or in the case of the Initial Interest Period, the linear interpolation between the Euribor for 5 month and 6 month deposits in Euro) plus the following relevant margin of 0.30% per annum in respect of the Class A Notes and (ii) 8.50% per annum.

Save as provided for in Condition 5.8 (*Unpaid Interest*), interest in respect of the Class A Notes is payable quarterly in arrears on each Payment Date in Euro.

Interest in respect of each Series of the Class B Notes is payable quarterly in arrears on each Payment Date in Euro in an amount equal to the relevant Single Series Class B Notes Interest Payment Amount as determined by the Computation Agent on the relevant Calculation Date.

Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due 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 from time to time applicable to the

Notes until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and
- (ii) the date on which the relevant Notes are cancelled in accordance with the Conditions.

## 5.2 Interest Rate

The rate of interest applicable from time to time in respect of the Class A Notes (“**Interest Rate**”) will be determined by the Agent Bank on the relevant Interest Determination Date.

The Interest Rate applicable to the Class A Notes for each Interest Period shall be the lower of:

- 5.2.1 the aggregate of the Relevant Margin; and (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, in the case of the first Interest Determination Date only, the linear interpolation between the Screen Rate for Euribor for 5 month and 6 month Euro deposits (the “**Additional Screen Rate**”)) or (i) such other page as may replace page “EURIBOR01” on that service for the purpose of displaying such information or, (ii) if that service ceases to display such information, such page displaying such information on such equivalent service (or, if more than one, that one which is approved in writing by 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 (or, in the case of the first Interest Determination Date only, the Additional 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) as the rate at which three month Euro deposits (or, in the case of the first Interest Determination Date only, the linear interpolation between the Screen Rate for 5 month and 6 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 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 (the “**Three Month EURIBOR**”); and

5.2.2 8.50% per annum.

### **5.3 Determination of the Interest Rate, Calculation of the Interest Amount and Single Series Class B Notes 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 the case of the Initial Interest Period, beginning on and including the Issue Date); and
- (ii) calculate the Euro amount (the “**Interest Amount**”) accrued on the Class A 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 Class A 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).

5.3.2 The Computation Agent shall on each Calculation Date determine with respect to each Series of Class B Notes, the Single Series Class B Notes 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 Transaction Bank, the English Transaction Bank, Monte Titoli, Euroclear, Clearstream, the Paying Agents and the Irish Stock Exchange 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 does not at any time for any reason determine the Interest Rate and/or does not calculate the Interest Amount, or the Computation Agent does not determine the Single Series Class B Notes Interest Payment Amount, in accordance with Condition 5.3 above, the Representative of the Noteholders shall:

5.5.1 determine the Interest Rate at such rate as (having regard to the procedure described in Condition 5.2 above) it shall consider fair and reasonable in all circumstances; and/or (as the case may be),

- (1) calculate the Interest Amount in the manner specified in Condition 5.3 above;
- (2) calculate the Single Series Class B Notes Interest Payment Amount;

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank and/or the Computation Agent as applicable and published in accordance with Condition 5.4.

## **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, whether by the Reference Banks (or any of them), the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*) be binding on the Reference Banks, the Agent Bank, the Computation Agent, the Issuer, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Agent Bank, the Computation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

## **5.7 Reference Banks and Agent Bank**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three reference banks (the “**Reference Banks**”) and the Agent Bank. The initial Reference Banks shall be Société Générale, Banca Imi S.p.A. and RBS – The Royal Bank of Scotland. In the event of any such bank is unable or unwilling to continue to act as a Reference Bank or that any of the merge with another Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such. The Issuer shall insure that at all times an Agent Bank is appointed. If a new Agent Bank is appointed, a notice will be published in accordance with Condition 13 (*Notices*).

## **5.8 Unpaid Interest**

Without prejudice to Condition 2(1) (*Status, Priority and Segregation*) 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 the Class A Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Conditions as if it were, Interest Amount accrued on the Class A Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Issuer shall arrange for notice to be given forthwith by the Agent Bank to Monte Titoli, the Irish Stock Exchange (and to any other stock exchange on which the Class A Notes are listed), the Representative of the Noteholders, the Paying Agents and the Computation Agent and will cause notice to that effect to be given to the Noteholders in accordance with Condition 13 (*Notices*), no later than three Business Days prior to any Payment Date, of any Payment Date on which, pursuant to this Condition 5.8, interest on the Notes will not be paid in full.

# **6. REDEMPTION, PURCHASE AND CANCELLATION**

## **6.1 Final Redemption**

Unless previously redeemed in full as provided for in this Condition 6, the Issuer shall redeem in full the Notes at their Principal Amount Outstanding, plus an accrued but unpaid interest, 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, 6.3, 6.4 or 6.5 below, but without prejudice to Condition 9 (*Trigger Events*).

## **6.2 Redemption for Taxation**

If the Issuer 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, to the effect that the Issuer:

- (a) 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 subdivision thereof or any authority thereof or therein (or that amounts payable to the Issuer in respect of the Portfolios would be subject to withholding or deduction); or
- (b) has become liable to *imposta sul reddito delle società (IRES)* or to *imposta regionale sulle attività produttive (IRAP)* with respect to income arising from any of the Portfolios;

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 to the Notes (or with the consent of the Class B Noteholders the Class A Notes only) and any amounts required under the Intercreditor Agreement to be paid in priority to, or *pari passu* with, each Notes (together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes),

the Issuer may, on the first Payment Date on which such necessary funds become available to it, redeem the Notes in whole but not in part (or the Class A Notes only, if all the Class B Noteholders consent) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to and including the relevant Payment Date and together with all payments ranking in priority or *pari passu* with the relevant Notes to be redeemed and on such Payment Date the Acceleration Order of Priority will become applicable, provided that the Issuer shall have given not more than 45 (forty-five) nor less than 15 (fifteen) days' prior written notice to the Representative of the Noteholders, to the Servicers and to the Noteholders in accordance with Condition 13 (*Notices*).

Upon redemption of the Class A Notes the Issuer shall apply any Issuer Available Funds which may be applied for this purpose in accordance with the Acceleration Order of Priority to the redemption of 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 each Payment Date, other than the Payment Date indicated below, in a maximum amount equal to their Class A Notes 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 9.1; (ii) in the case of Redemption for Taxation pursuant to Condition 6.2; or (iii) in the case of the Issuer exercising the Optional Redemption pursuant to Condition 6.4, 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.

#### 6.4 Optional Redemption

The Issuer may redeem the Notes in whole but not in part (or the Class A Notes only, if all the Class B Noteholders consent) at their Principal Amount Outstanding, together with interest accrued and unpaid up to the date fixed for redemption, if at the preceding Collection Date the aggregate principal outstanding amount of the Portfolios is equal to or less than 20% of the lesser of (i) the principal outstanding amount of all the Portfolios as of the Effective Date; and (ii) the Purchase Price (such relevant Payment Date the “**Clean Up Option Date**”).

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 Class A 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 (or the Class A Notes only, if all the Class B Noteholders consent) and any amounts required under the Intercreditor Agreement and the Conditions to be paid in priority to or *pari passu* with the relevant Notes to be redeemed.

#### 6.5 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 (with a copy to the Servicers) 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. Such potential purchaser shall in any case deliver to the Issuer and the Representative of the Noteholders on the relevant purchase date of the Portfolios (the “**Purchase Date**”) (I) a certificate of good standing issued by the competent Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) dated not later than 10 (ten) days before the relevant Purchase Date; (II) a solvency certificates signed by a duly authorised representative of such potential purchaser dated the relevant Purchase Date; and, except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also (III) a certificate from the appropriate bankruptcy court confirming that no insolvency petitions have been filed against such potential purchaser.

The transfer of the Portfolios pursuant to this Condition 6.5 shall be construed as a "*vendita a rischio e pericolo del compratore*" pursuant to article 1488, second paragraph, of the Italian civil code with express derogation by the relevant parties of article 1266 of the Italian civil code with reference to the guarantee, granted by the transferor, of the existence of the claims and article 1448 of the Italian civil code shall not apply. The transfer of the relevant Portfolios shall be subject to payments to the Issuer of the relevant purchase price, provided that all the documentation listed in this Condition 6.5 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.

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.

No authorisation to the sale of the Portfolios shall be necessary in case of exercise of the option by the Originators pursuant to article 11 of the Intercreditor Agreement.

## **6.6 Notice of Redemption**

Any such notice as is referred to in Condition 6.2 and 6.4 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.

## **6.7 Principal Payments and Principal Amount Outstanding**

On each Calculation Date, the Issuer shall determine or procure that the Computation Agent determines, *inter alia*, (on the Issuer's behalf):

- (a) the amount of any principal payment payable on the Class A Notes and the Class B Notes on the following Payment Date;
- (b) the Principal Amount Outstanding of each Class of Notes on the 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 Payment Amount;
- (d) with respect to each Portfolio: (i) the amount of the relevant Single Portfolio Amortised Principal and Single Portfolio Available Funds (if any); and (ii) the amount of the relevant Single Portfolio Class A Notes Principal Amount Outstanding, Single Portfolio Class A Notes Principal Payment Amount and Single Portfolio Notes Principal Amount Outstanding;
- (e) the amount of the Principal Amortisation Reserve Amounts, Reserve Amount, Reserve Amount Quotas or Single Portfolio Reserve Amounts (if any), the Target Cash Reserve Amounts, 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 to the Cash Reserves shall be made by the Computation Agent in accordance with the Cash Administration and Agency Agreement;

- (f) the Relevant Proportion and all payments due to be done by the Issuer on the immediately following Payment Date; and
- (g) at least 3 (three) Business Days prior to each Payment Date, deliver to the Representative of the Noteholders, the Servicers, the Operating Bank, the Transaction Bank, the English Transaction Bank, the Principal Paying Agent, the Italian Paying Agent, the Rating Agencies and the Irish Listing Agent a payments report setting out all such payments in the form which shall be agreed by the Parties (the “**Payments Report**”).

Each determination by or on behalf of the Issuer of the Principal Payment on each Note, the Principal Amount Outstanding of each Note and on each Class of Notes shall in each case (in the absence of wilful default or gross negligence) be final and binding on all persons.

The Issuer shall, no later than four Business Days prior to each Payment Date, cause each determination of a principal payment (if any) and Principal Amount Outstanding of the Notes to be notified forthwith by the Computation Agent to the Representative of the Noteholders, the Servicers, the Transaction Bank, the English Transaction Bank, Euroclear, Clearstream, the Irish Stock Exchange, the Paying Agents and Monte Titoli and shall cause notice of each determination of a principal payment and Principal Amount Outstanding of each Class of Notes 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*).

If no principal payment or Principal Amount Outstanding of the Notes is determined by or on behalf of the Issuer in accordance with the provisions of this Condition 6.7, such principal payment or Principal Amount Outstanding of the Notes shall be determined by the Computation Agent in accordance with this Condition 6.7 and each such determination shall be deemed to have been made by the Issuer.

## **6.8 No purchase by Issuer**

The Issuer shall not purchase any of the Notes.

## **6.9 Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be re-sold or re-issued.

All Notes shall be in any case cancelled upon the earlier of (i) 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 Principal Paying Agent and the Italian Paying Agent 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, according to the provisions of the Cash Administration and Agency Agreement, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other paying agents including the Principal Paying Agent and the Italian Paying Agent provided that (as long as the Class A Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) the Issuer will at all times maintain a paying agent having a registered office in Ireland.

The Issuer will cause at least 30 days prior notice to be given of any change in or addition to the Paying Agents or their registered offices 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. 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) the Issuer defaults in the payment of the amount of principal then due and payable on the Most Senior Class of Notes on the Final Maturity Date;
- (ii) 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 on the Class A Notes or the relevant Single Series Class B Notes Interest Payment Amount on the Class B Notes, as the case may be; 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 (other than (i) the obligation to pay principal on the Notes in case the Issuer has not enough Single Portfolio Available Funds or Issuer Available Funds (as the case may be) to such purpose on any Payment Date, and (ii) any payment obligation on the Notes under paragraph (a) above) or any of the Transaction

Documents to which it is a party and (except where, in the sole and absolute opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case no notice will be required) such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer, certifying that such default is, in the sole 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:

- (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*, *accordi di ristrutturazione* and *amministrazione straordinaria*, 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 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;
- (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 in any case acting in accordance with these Conditions and the Rules of the Organisation 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 holders of the Class A Notes, in the case of the Trigger Events set out under points (b) and (c) above;
- (iii) may at its sole and absolute discretion but shall if so requested in writing by an Extraordinary Resolution of the holders of the Class A Notes in case of any other Trigger Event,

give a written notice (a "**Trigger Notice**") to the Issuer (with copy to each of 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 and to the Other Issuer Creditors shall be made in accordance with the Acceleration Order of Priority.

## 10. CROSS COLLATERAL EVENTS

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

- (a) *Disequilibrium Event*

With respect to four successive Payment Dates, a Class A Disequilibrium Event occurs;

- (b) *Default Ratio*

The Default Ratio, as at any Collection Date, is higher than 4.75%; or

- (c) *Cash Reserve*

On any Calculation Date, with reference to the immediately following Payment Date, the aggregate of the Single Portfolio Negative Balances (but excluding item (*Ninth*) of the Pre-Acceleration Order of Priority) with respect to such Payment Date is equal to or exceeds the Cash Reserve;

then the Representative of the Noteholders, upon receipt of written notice from the Computation Agent, shall serve a written notice (a "**Cross Collateral Notice**") to the Issuer (with a copy to each Servicer) 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:

- (a) 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
- (b) 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 above or this Condition 11, by the Representative of the Noteholders shall (in the absence of wilful default or gross negligence) 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. Such successor to the Representative of the Noteholders shall be:
  - (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or

- (b) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or
- (c) any other entity permitted by specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

**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 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.

In addition, 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](http://www.ise.ie)) (for the avoidance of doubt, such website does not constitute part of this Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

In addition, so long as the Class A Notes are listed on the Irish Stock Exchange, any notice regarding the Class A Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the “**Transparency Directive**”).

The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

### **14. PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the Relevant Date in respect thereof.

“**Relevant Date**” means, in respect of any payment in relation to the Notes, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received by the Principal Paying Agent or the Representative of



the Noteholders on or prior to such date, the date on which, the full amount having been so received, notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

**15. GOVERNING LAW AND JURISDICTION**

**15.1** The Notes are governed by Italian law.

**15.2** All the Transaction Documents are governed by Italian law, 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.

**15.3** The Courts of Rome shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.

## **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. For as long as any Note is outstanding there shall be a Representative of the Noteholders.

The contents of these Rules are considered included in the Conditions.

#### **Article 2** *(Definitions)*

In these Rules, the following expressions have the following meanings:

“**Arbitration Panel**” means the arbitration panel as set forth in Article 32.

“**Basic Terms Modification**” means:

- (1) the modification of the date of maturity of the relevant Class of Notes;
- (2) a modification which would have the effect of anticipating or postponing any day for payment of interest thereon;
- (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 pledgee, to applications of funds as provided for in the Transaction Documents;
- (7) 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 of Notes**” means the Class A Notes or 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.

“**Meeting**” means the meeting of the Noteholders or a Class of Noteholders (whether originally convened or resumed following an adjournment).

“**Notes**” and “**Noteholders**” mean:

- (1) in connection with a Meeting of Class A Noteholders, Class A Notes and Class A Noteholders respectively;
- (2) in connection with a Meeting of Class B Noteholders, Class B Notes and Class B Noteholders respectively; and
- (3) otherwise, in the case of a joint Meeting of more than one Class, any or all of the Class A Notes or 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 Deutsche Bank, 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.

“**Relevant Class Noteholders**” means the Class A Noteholders or the Class B Noteholders, as the context may require.

“**Relevant Date**” means the date on which principal or interest, as the case may be, on the Notes become due and payable.

“**Relevant Fraction**” means:

- (i) for all business other than voting on an Extraordinary Resolution (both at the first convening of a Meeting and in case such Meeting is resumed after adjustment for want of a quorum): (a) in case of a meeting of a particular Class of the Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, one-twentieth of the Principal Amount Outstanding of the outstanding Notes of such Classes;
- (ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of the Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, two-thirds of the Principal Amount Outstanding of the outstanding Notes of such Classes; 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:

- (i) for voting on an Extraordinary Resolution other than one relating to a Basic Terms Modification: (a) in case of a meeting of a particular Class of the Notes, more than one-third of the Principal Amount Outstanding of the outstanding Notes in that Class; or (b) in case of a joint meeting of more than one Class of Notes, more than one-third of the Principal Amount Outstanding of the outstanding Notes of such Classes; and
- (ii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification, which must be proposed separately to each Class of Noteholders, more than fifty per cent. (50%) of the Principal Amount Outstanding of the outstanding Notes in that Class.

“**Representative of the Noteholders**” means Deutsche Trustee Company Limited, 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.

“**Secured Parties**” means the beneficiaries of the Security Documents.

“**Specified Office**” means the office of the (i) Italian Paying Agent located at Via M. Gioia, 8, 20124 Milano, Italy, or (ii) Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB or (iii) Irish Listing Agent located at 2 Boulevard Konrad Adenauer, Luxembourg L-III5, as the case may be.

“**Voter**” means, in relation to any Meeting, the holder of a Blocked Note.

“**Voting Certificate**” means, in relation to any Meeting, a certificate issued to a Noteholder by the relevant Monte Titoli Account Holder in accordance with the resolution dated 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 75% of the Relevant Class Noteholders, who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders.

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting is to be held and in each of the places where the Principal Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid.

“**48 hours**” means 2 consecutive periods of 24 hours.

Other defined terms and expressions shall have the meaning given to them in the Conditions.

### **Article 3** **(Organisation purpose)**

Each Class A Noteholder and Class B Noteholder is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to coordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to

the Class A Noteholders and/or the Class B Noteholders or, where the context requires, a reference to the Class A Noteholders and/or the Class B Noteholders collectively.

## **TITLE II - THE MEETING OF NOTEHOLDERS**

### **Article 4 (General)**

Subject to Article 20 below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such Class whether present or not present at such Meeting and whether voting or not voting and any resolution passed at a meeting of the Class A Noteholders duly convened and held as aforesaid shall also be binding upon the Class B Noteholders.

In each of the above cases, 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 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 integrated), 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 and none of the Monte Titoli Account Holders shall be allowed to release the relevant Notes before such date unless the Voting Certificate is first surrendered to it. So long as a Voting Certificate is valid, the Noteholder or any Proxy named therein shall be deemed to be the holder of the relevant Notes to which it relates for all purposes in connection with the Meeting.

**Article 6**  
***(Validity of Voting Certificates)***

A Voting Certificate shall be valid only if it is deposited or sent (also by electronic means) at the Specified Office of the Principal Paying Agent, or at some other place approved by the Principal Paying Agent, 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 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 day notice (excluding the day on which the notice is delivered and the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the relevant Noteholders and the Principal Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders), and published in accordance with Condition 13 (*Notices*) at least 15 days before the date of the Meeting. The notice shall set forth the full text of any resolutions to be proposed and that Voting Certificate shall be obtained to participate to the Meeting.

The 21 day notice of any Meeting shall be deemed to be waived by the Noteholders when: (i) Noteholders representing 100% of the Principal Amount Outstanding of the relevant Class attend the relevant Meeting or (ii) Noteholders representing 100% of the Principal Amount Outstanding of the relevant Class request the 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 resolution )***

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 votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

**Article 11**  
***(Adjournment for want of quorum)***

If within 15 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 days and not more than 42 days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once. Notice shall be published in accordance with Condition 13 (*Notices*) of the relevant Class of Notes not more than 8 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 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;
- (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
- (f) such other person as may be resolved by the Meeting.

**Article 15**  
***(Show of hands)***

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

**Article 16**  
***(Poll)***

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than ten (10) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business as the Chairman directs.

**Article 17**  
***(Votes)***

Every Voter shall have one vote in respect of each Euro 1,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Voting Certificate state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

**Article 18**  
***(Vote by Proxies)***

Any vote by a Proxy in accordance with the relevant Voting Certificate shall be valid even if such vote or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Principal Paying Agent 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.

**Article 19**



### ***(Exclusive Powers of the Meeting)***

The Meeting shall have exclusive powers:

- (a) to approve any Basic Terms Modification, in accordance with Article 20 below;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions (which is not a Basic Terms Modification) or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to 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 given herein and in the Conditions, 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 Conditions, 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) to authorise the Representative of the Noteholders to serve a Trigger Notice, as a consequence of a Trigger Event under Condition 9 (*Trigger Events*);

- (h) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Trigger Event under the Notes;
- (i) following the service of a Trigger Notice, power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s);
- (j) power to resolve on the sale of one or more Claim(s) comprised in the Portfolio(s) when an Extraordinary Resolution is required under the Conditions; and
- (k) power to sanction a Basic Terms Modification.

*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 the other Class (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, dissenting or non voting can challenge resolutions in accordance with article 2416 of the Italian Civil Code.

#### **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 Deutsche Trustee Company Limited.

The Representative of the Noteholders shall be:

- (1) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or
- (2) a company or financial institution registered under article 107 of the Consolidated Banking Act (or any other relevant register held from time to time by the Bank of Italy); or
- (3) any other entity which may be permitted to act in such capacity by any applicable provisions of Italian law.

The Representative of the Noteholders shall be appointed for unlimited term and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (1), (2) and (3) above and until such substitute Representative of the Noteholders has entered into the Intercreditor Agreement and the other 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, in the name and on behalf of the Issuer, its own successor, convening a fee not higher than

the fee that such terminated Representative of the Noteholders agreed with the Issuer, provided that any such successor shall satisfy all the conditions set out above; and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

The directors, auditors (if any), employees of the Issuer and those who fall within the conditions indicated in article 2382 and article 2399 of the Italian Civil Code in respect of the Issuer cannot be appointed Representative of the Noteholders, and, if appointed, shall be automatically removed from the appointment.

As consideration to the Representative of the Noteholders for the obligations undertaken by the same as from the date hereof under these Rules and the Transaction Documents, the Issuer shall pay to the Representative of the Noteholders an annual fee, such fee being agreed in a separate side letter. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Order of Priority up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

## **Article 26** ***(Duties and Powers)***

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the “**Relevant Provisions**”).

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders’ interests *vis-a-vis* the Issuer, in accordance with and following any resolution taken by the Meeting. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting to obtain instructions from the Relevant Class Noteholders on any action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25 herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

The Representative of the Noteholders shall in any case be responsible for any loss incurred by 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, paragraph 2, of the Italian Civil Code.

The Representative of the Noteholders shall be authorised to represent the Organisation of

Noteholders in judicial proceedings (including Bankruptcy Proceedings) involving the Issuer.

**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 without giving any reason therefore and without being responsible for any costs occasioned by such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the Noteholders and until such new representative of the Noteholders has entered into the Intercreditor Agreement and the other relevant Transaction Documents. If a new representative of the Noteholders is not appointed by the Meeting within sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, in the name and on behalf of the Issuer and convening a fee not higher than the fee that the resigning Representative of the Noteholders agreed with the Issuer, *provided that* any such successor shall satisfy with the conditions of Article 25 herein.

**Article 28**  
***(Exoneration of the Representative of the Noteholders)***

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

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 or such other event, condition or act 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, enforceability, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto;
- (v) responsible for or have any duty to make any investigation in respect of or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer, (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith; (iii) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any license, consent or other authority in connection with the purchase or administration of the Portfolios; and (v) any accounts, books, records or files maintained by the Issuer, the Servicer and the Italian Paying Agent 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 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 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;
- (iii) 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 or the Representative of the Noteholders or as provided in the Transaction Documents 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 or e-mail notwithstanding any error contained therein or the non-authenticity of the same;
- (iv) call for and accept as sufficient evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by or on behalf of the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;
- (v) have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, save as expressly otherwise provided herein, and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or willful misconduct (*dolo*);
- (vi) subject to granting the access to the documents to any Noteholders as provided for by the Conditions, hold or leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute, and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;
- (vii) call for, accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout

any particular period, any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;

- (viii) certify whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and if any proceedings referred to under Condition 9(d) (*Insolvency etc.*) are disputed in good faith, and any such certificate or opinion shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant Person and if the Representative of the Noteholders so certifies and serves a Trigger Notice pursuant to Condition 9 (*Trigger Events*), it shall, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on its part, be fully indemnified by the Issuer against all fees, costs, expenses, liabilities, losses and charges which it may incur as a result.
- (ix) determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant Person and the Representative of the Noteholders shall not be responsible for or required to insure against any cost and loss incurred in connections with any such certificate;
- (x) assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

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 (unless it has direct knowledge thereof) 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 purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether such exercise would be materially prejudicial to the interests of the Other Issuer Creditors, take into account, amongst other things, any written confirmation from the Rating Agencies that the then current ratings of the Notes would not be adversely affected by such exercise;
- (c) convene a Meeting of the Noteholders of the relevant Class or Classes of Notes, in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retroactively and shall be, in any case, notified to DBRS.



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 Representative of the Noteholders (acting as security trustee) is entitled to exercise all rights granted by the Issuer to it in its capacity as trustee for the Noteholders and 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) 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 certain Accounts specified in the Cash Administration and Agency Agreement may be used for investments in Eligible Investments.

The Secured Parties have irrevocably waived any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Security Documents except in accordance with the foregoing and the Intercreditor Agreement.

### **Article 30** **(Indemnity)**

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor 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 duly documented and reasonable legal and travelling expenses and any duly documented stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, or against the Issuer or any other Person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred because gross negligence (*colpa grave*) or wilful default (*dolo*) 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 and/or failure by the Issuer to exercise its rights under the Transaction Documents, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled to exercise, in the name and on behalf of the Issuer (also in the interest of the Other Issuer Creditors) and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Claims comprised in the Portfolios, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set forth in these Rules to resolve on the proposed sale.

**TITLE V - ALTERNATIVE DISPUTES RESOLUTIONS**

**Article 32 (Law and Arbitration)**

These Rules are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of the present Rules, including those concerning its validity, interpretation, performance and termination shall be settled, irrespective of the number of the parties, by the Arbitration Panel consisting of three arbitrators (one of whom shall be the President) who shall be directly appointed by the Chamber of National and International Arbitration of Milan. The arbitration shall be conducted in accordance with the Rules of the Chamber of National and International Arbitration of Milan (*Regole di Arbitrato Internazionale della Camera e di Commercio Nazionale ed Internazionale di Milano*), which each of the Noteholders acknowledge to have read and to accept in their entirety.

The arbitrators shall decide according to the laws of Italy and not *ex aequo et bono*.

The seat of the arbitration shall be in Milan. The language of the arbitration will be English. Any disputes that cannot be settled by arbitration shall be submitted to the exclusive jurisdiction of the courts of Rome.

## 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.*

### 1. 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 Claims, where the sale is to a company created in accordance with Article 3 of Law 130 and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such Claims and all costs and expenses associated with the securitisation transaction.

### 2. THE ASSIGNMENT

The assignment of the claims under Law 130 is governed by Article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. The prevailing interpretation of such provisions, which view has been strengthened by article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration in the companies' register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;
- (b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to Article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the "**Bankruptcy Law**"); and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any

formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the claims pursuant to the Transfer Agreements has been published in the Official Gazette No. 49 on 24 April 2012 and filed for publication in the companies' register on 26 April 2012.

### **3. 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.

### **4. 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.

### **5. 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.

### **6. INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS**

Pursuant to Article 65 of the Bankruptcy Law, in the event that a Borrower (to the extent the same is subject to the Bankruptcy Law) is declared bankrupt, any payment made by the Borrower during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy

(including accordingly, any prepayments made under the relevant Mortgage Loan Agreement) are ineffective *vis-à-vis* the Issuer. In this regard, it has to be noted that a recent case from the Italian Supreme Court (*Corte di Cassazione*, judgement No. 19978 of July 18th 2008) stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the Borrower by specific provisions of law.

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

## 7. **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).

## 8. ORDINARY ENFORCEMENT PROCEEDINGS

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement proceedings by seeking a court order or injunction for payment in the form of an enforcement order (*titolo esecutivo*) from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (*titolo esecutivo*) from the court. A writ of execution (*atto di precetto*) is notified to the debtor together with either the enforcement order (*titolo esecutivo*) or the loan agreement, as the case may be.

Within (10) ten days of filing, but not later than (90) ninety days from the date on which notice of the writ of execution (*atto di precetto*) is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral (*i.e.* land registry) certificates (*certificati catastali*), which usually take some time to obtain. Law No. 302 should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to value the property and, on the basis of the expert's evaluation, the court shall determine the minimum bid price for the property at the auction.

If an auction fails to result in the sale of the property, the court will arrange a new auction with a lower minimum bid price. The courts have discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fifth of the minimum bid price of the previous auction). In practice, the courts tend to apply the one-fifth reduction. In the event that no offer is made during an auction, the mortgage lender may apply to the court for a direct assignment of the mortgaged property to the mortgage lender itself. In practice, however, the courts tend to hold auctions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

## **9. 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 *fondario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to Article 58 of the Consolidated Banking Act, as amended by Article 12 of Decree No. 342, the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Enforcement proceedings for *mutui fondiari* commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the *mutuo fondiario* lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on *mutui fondiari* commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert appraisal.

## **10. PRIORITY OF INTEREST CLAIMS**

Pursuant to article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of

interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate (currently 2.5%) from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

## 11. 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.



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

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

## 13. 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.

## 14. SUSPENSION OF MORTGAGE INSTALMENTS

Italian Law No. 244 of 24 December 2007, the Italian budget law for year 2008 (the "**2008 Budget Law**"), provides that borrowers of loans granted for the purchase of real estate property to be used as the borrower's main residence (*abitazione principale*) may request that payment of instalments thereunder be suspended at the terms specified therein.

The 2008 Budget Law also provided for the establishment of a fund (*Fondo di solidarietà per i mutui per l'acquisto della prima casa*) (the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments by the borrowers and refers to an implementing regulation to be issued by the Ministry of the Economy and Finance (*Ministro dell'economia e delle finanze*) in conjunction with the Ministry of the Social Solidarity (*Ministro della solidarietà sociale*).

Pursuant to Ministerial Decree No. 132 issued by the Ministry of Economics and Finance on 21 June 2010 and published in the Official Gazette of the Republic of Italy on 18th of August 2010 ("**Decree 132**"), the provisions relating to (i) the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and (ii) the subsequent aid from the Fund and the formalities and operating procedures of the Fund, were enacted.

Following and in compliance with Decree 132, the Ministry of Economy and Finance, on 27 October 2010, issued the guidelines (*Linee Guida*) (the "**Guidelines**"), published on the website ([www.dt.tesoro.it](http://www.dt.tesoro.it)) (for the avoidance of doubt, such website does not constitute part

of this Prospectus) which establish the procedures that borrowers must follow in order to request the suspension of payments of instalment.

As specified in the Guidelines, within the provision of Decree 132, the suspension of payments of the instalments can be granted also in favour of mortgage loans which have been object of securitization transactions.

In light of the above, pursuant to the Decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010, CONSAP (*Concessionaria Servizi Assicurativi S.p.A*), was selected as managing company of the Fund. The request to access to the aid granted by the Fund must be presented by the Borrowers starting from 15 November 2010, by using the relevant form of suspension-request duly prepared in compliance with the Guidelines and accompanied by the relevant documentation indicated therein.

Any Debtor who complies with the requirements set out in Decree 132 and the Guidelines, has the right to suspend the payment of the instalments of its Mortgage Loans up to 18 months and therefore there is the risk that the Issuer will experience a consequential delay in the collection of the relevant instalments. A significant number of applications by Borrowers of Mortgage Loans concentrated over a specific period will have an adverse impact on the Issuer's cash flow of that period, although the number of applications for suspension and their overall duration is limited under the 2008 Budget Law.

## 15. THE FAMILIES PLAN

On 18 December 2009, the Italian Banking Association ("**ABI**") and the consumers associations signed a convention concerning the temporary suspension of payments of loan instalments due by individuals to the banking system in order to help those families stricken by the financial crisis ("**Families Plan**").

The Families Plan provides the possibility for the individuals with a taxable income of maximum € 40,000 per year and with an amount of the relevant mortgage loan not higher than € 150,000, to request, upon certain conditions, the suspension of the payment of the mortgage loan instalments for the principal component (or also for the interest component), for 12 (twelve) months (the "**Suspension**"). As a consequence of the Suspension, the reimbursement plan will be extended for a period equal to the Suspension.

Pursuant to the above convention, the Suspension can be requested between 1 February 2010 and 31 July 2011 by all families to which, between the period of 1 January 2009 and 30 June 2011, one of the following events has happened: a) closing down of a subordinated working relationship, except for the consensual termination of the working relationship (*risoluzione consensuale*) or cases in which the termination is due for having reached the age limit, with the consequent right to receive an old-age pension (*pensione di anzianità*), or in cases of termination for *giusta causa* or *giustificato motivo soggettivo*; b) closing down of the working relationship pursuant to article 409, paragraph 3, of the Italian civil procedure code except for the consensual termination, withdrawal of the employer or withdrawal of the employee not for *giusta causa*; c) death or cases of loss of self-sufficiency; d) suspension or reduction of the working relationship for a period of at least 30 days.

The terms of the above convention have been subsequently extended for two times pursuant to two subsequent agreements signed by ABI and the relevant consumers associations in order to further protect families in financial distress. In particular as result of such extensions, borrowers can request the Suspension, upon the occurrence of the aforementioned events, within 31 July 2012 and the events on the basis of which the Suspension can be requested, though, must occur not later than 30 June 2012.

The Families Plan may be joined by (i) banks, or (ii) securitisation vehicles or (iii) banks in their name and in the name and on behalf of securitisation vehicles.

In adhering to the Families Plan, banks shall indicate (i) if borrowers may ask for the Suspension only of the principal component of the instalments or also of the interest component; and (ii) if they intend to grant more favourable conditions for the Suspension to their borrowers (including a period of suspension longer than 12 months).

## 16. THE DEVELOPMENT DECREE

On 13 May 2011, the Italian government approved the law-decree No. 70, published on the Italian Official Gazette on 13 May 2011, which introduces new provisions concerning the renegotiation of mortgage loans ("**Development Decree**").

In particular, the Development Decree provides that borrowers who, before the entry in force of such new provisions have executed or assumed a mortgage loan agreement, will have the right to renegotiate the terms of their mortgage loan with their respective lender, provided that: (a) the relevant mortgage loan agreement has been entered into for purchasing or rebuilding a residential property; (b) the original amount of the relevant mortgage loan is not higher than Euro 150,000; (c) the relevant mortgage loan accrues interest at a floating rate and provides for payment of variable instalments for the whole duration; (d) the relevant borrower submits, together with the request of the renegotiation, the certificate of the relevant ISEE (*Indicatore della Situazione Economica Equivalente*), which should not exceed the amount of Euro 30,000; (e) no late payments have been made with respect to the relevant mortgage loan.

The Development Decree has been converted in Law No. 106 of 12 July 2011 with amendments. As a consequence of that, the cap amounts indicated under items (b) and (d) above have been modified respectively to Euro 200,000 and Euro 35,000.

Such renegotiation involves the change from a floating rate to a fixed nominal annual interest rate which must not be higher than the interest rate obtained by applying (i) the lower between the 10-year Euro IRS and the IRS in Euro applicable to a duration equal to the residual life of the mortgage loan or, if not available, the quotation of the IRS related to the immediately preceding duration, as it appears on Reuters ISDAFIX 2 page at the renegotiation date, plus (ii) a spread equal to the one indicated in the relevant loan agreement, for the purpose of determining the applicable interest rate.

Borrowers will be entitled to agree with their respective lenders that the renegotiation will extend the amortisation plan of the mortgage loans for a maximum period of five years, provided that the residual life of the relevant mortgage loan, following the date of such renegotiation, does not exceed twenty-five years.

With reference to securitised mortgage loans, the Development Decree provides that the provision relating to the remaining in force of the mortgage securities originally created to secure the mortgage loan which is being renegotiated, also applies to the loan granted by lenders to borrowers, as assigned debtors, in the context of a securitisation transaction, in order to permit the loan repayment in accordance with the applicable amortisation plan at the time of the renegotiation. In these cases, the lender will be subrogated in the relevant mortgage securities, without the need of any additional formality or annotation, but such subrogation will be not effective until the claims of the assignee, deriving from mortgage loans which have been transferred in the context of a securitisation transaction are fully satisfied (article 8, paragraph 8, letter d) of the Development Decree).

Moreover, under article 8, paragraph 8, item e) of the Development Decree, if the lender, in order to carry out the renegotiation, repurchases the claim previously transferred in the

context of a securitisation transaction or issuance of covered bonds, the relevant assignee shall be allowed to give notice of such repurchase through the publication in the Italian Official Gazette, even by means of a single notice relating to all of the claims repurchased by the lender/assignor. Any security interest, lien or encumbrance created in favour of the lender/assignor, shall continue to be in force and effect and shall have the same ranking, without the need of any additional formality or annotation.

The request of renegotiation will presumably satisfied by the Originators by utilising the renegotiations faculty granted to them under the Servicing Agreement or through repurchase/refinancing of the relevant loan. It is not completely clear if the Development Decree is binding for the securitisation SPVs (i.e. the securitisation SPVs would be obliged to grant the renegotiation in case the Originator is not allowed to that).

In this respect, considering that the provisions of article 8, paragraph 6, items a) and c) of the Development Decree explicitly provide that borrowers have the right to enter into renegotiations with their respective “lender” (not making any reference to different entities, such as the possible assignees) it could be argued that the Originators are the only entities obliged to grant such renegotiations.

## 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. DECREE 138/2011

On August 13, 2011 the Italian Government passed Law Decree No. 138/2011 converted into Law No. 148/2011 (the "Decree 138/2011") which enacted a number of fiscal measures, including a general increase of the tax rate on incomes from financial investments. The Decree 138/2011 sets out that any withholding and/or substitutive tax previously applicable at either 12.50 per cent or 27 per cent on both interests and gains shall be levied at 20 per cent. According to the Decree 138/2011, the new provisions apply on: (i) interest accrued as of January 1, 2012; (ii) capital gains realized after January 1, 2012.

According to the new legislation and pursuant to the combined provision of Article 6, paragraph 1, of Law 130, Article 1 of Legislative Decree No. 239 of 1 April 1996 and Article 26, paragraph 1 and 4, of Presidential Decree No. 600 of 29 September 1973, the provisions of Legislative Decree No. 239 of 1 April 1996 apply to interest arising from notes issued in the context of a securitisation transaction accrued as of January 1, 2012 irrespective of their original maturity (either less or more than 18 months), which was instead relevant for the purposes of the previous legislation.

It is important to point out that the Italian Tax Authority has not yet released any guidelines on the newly enacted regulations. Therefore, the interpretation of the Italian Tax Law as outlined below in paragraph "Income Tax" has not yet confirmed by the Italian Tax Authority.

### 2. INCOME TAX

Pursuant to the combined provision of Article 6, paragraph 1, of Law 130 and Article 2 of Legislative Decree No. 239 of 1 April 1996, as amended and restated ("**Law 239**"), 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. It is important to point out that the Italian Tax Authority has not yet released any guidelines on the newly enacted regulations (Decree 138/2011). Therefore, the interpretation of the Italian Tax Law as outlined above has not yet confirmed by the Italian Tax Authority.

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 (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) (20 per cent rate shall be applicable on the year-end management result accrued after January 1, 2012 according to the Decree 138/2011). 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, interest payments relating to the Class A Notes are not subject to *imposta sostitutiva*. A new legislation affecting the taxation of the Italian resident investment funds has been enacted by Law Decree No. 225 of 29 December 2010 as converted, with amendments, into Law No. 10 of 26 February 2011 coming into force as of July, 1st 2011. The new regime is based on incomes being taxed at the time they are realized by the investors and no longer on the year-end management result. Such reform has not affected the taxation regime of the interest payments relating to the Class A Notes which continues not to be subject to *imposta sostitutiva*.

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.

### 3. CAPITAL GAINS

Any capital gain realised upon the sale for consideration or redemption of Class A Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;
- (b) Italian resident commercial partnerships;
- (c) permanent establishments in Italy of foreign corporations to which the Class A Notes are effectively connected; or
- (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, any capital gain realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity and by certain other persons upon the sale for consideration or redemption of the Class A Notes would be subject to an *imposta sostitutiva* at the rate of 20 per cent. Under the tax declaration regime, which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity pursuant to all disposals on Class A Notes carried out during any given fiscal year. These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax declaration to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012.

As an alternative to the tax declaration regime, Italian resident individual noteholders holding Class A Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Class A Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is permitted subject to: (i) the Class A Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Class A Notes (as well as in respect of capital gains realised at revocation of



its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the Risparmio Amministrato regime, where a sale or redemption of Class A Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Specific provisions have been stated by Decree 138/2011 with reference to capital losses realized before January 1, 2012 to be carried forward against capital gains realized after January 1, 2012. Under the Risparmio Amministrato regime, the Noteholder is not required to report capital gains in its annual tax declaration.

Any capital gains realised by Italian resident individuals holding Class A Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option will be included in the computation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to report capital gains realised in its annual tax declaration.

Under the tax regime applicable until June 30<sup>th</sup>, 2011, any capital gains realised by a Class A Noteholder who is an Italian resident investment fund must be included in the management result of the relevant portfolio and subject to the 12.5 per cent. substitute tax. A new legislation affecting the taxation of the investment funds has been enacted by Law Decree No. 225 of 29 December 2010 as converted, with amendments, into Law No. 10 of February 2011 coming into force as of July, 1<sup>st</sup> 2011. The new regime is based on incomes being taxed at the time they are realized by the investors and no longer on the year-end management result.

Any capital gains realised by Noteholders who are Italian resident pension funds will be included in the computation of the taxable basis of Pension Fund Tax.

The 20 per cent. *imposta sostitutiva* may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of Class A Notes by non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected, if the Class A Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree of 22 December 1986, No. 917, any capital gains realised, by non-Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected, through the sale for consideration or redemption of Class A Notes are exempt from taxation in Italy to the extent that the Class A Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing of required documentation, even if the Class A Notes are held in Italy. The exemption applies provided that the non Italian investor promptly file with the authorized financial intermediary an appropriate affidavit (*autodichiarazione*) stating that the investor is not resident in Italy for tax purposes.

In case the Class A Notes are not listed on a regulated market in Italy or abroad:

- (1) non Italian resident beneficial owners of the Class A Notes with no permanent establishment in Italy to which the Class A Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Class A Notes if they are resident, for tax purposes, in a country which allows an adequate exchange of information with Italy, which are those countries listed in a ministerial decree to be issued under article 168-bis of Presidential Decree No. 917 of December 22, 1986 and, until the year of

enactment of the new decree, in the ministerial decree of 4 September 1996, as amended from time to time, or, in the case of qualifying institutional investors not subject to tax, they are established in such a country (see Article 5, paragraph letter a) of Italian Legislative Decree No. 461 of 21 November 1997); in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above; and

- (2) in any event, non Italian resident persons or entities without a permanent establishment in Italy to which the Class A Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon the sale or redemption of the Class A Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Class A Notes; in this case, if non Italian residents without a permanent establishment in Italy to which the Class A Notes are effectively connected have opted for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non Italian residents.

#### **4. 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 avoidance 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.

#### **5. 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.

## **6. 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.

## **7. 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.

## **8. STAMP DUTY**

Article 19 of the Law Decree No. 201 of 6 December 2011 (*Disposizioni urgenti per la crescita, l'equità e il consolidamento dei conti pubblici*), converted into Law No. 214 of 22 December 2011, introduced a proportional stamp duty on the periodic statements sent by banks or financial intermediaries to the clients and relating to financial products or instruments (among which the notes issued in the context of a securitisation are deemed to be included). The new provisions provide for a proportional tax on the basis of the following rates: (i) 1‰ yearly for 2012 (with a cap of € 1,200.00); and (ii) 1,5‰ yearly starting from 2013 (without any cap), paid by the banks or the financial intermediaries – that for such purposes shall act as a substitute for tax (*sostituto di imposta*) – on a virtual basis (*in via virtuale*), in accordance with the combined provisions of Article 19, paragraph 4, of the Law Decree No. 201 of 2011, 15 and 15-bis of the Presidential Decree No. 642 of 1972 (*Disciplina dell'imposta di bollo*). The relevant taxable basis (*base imponibile*) 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. In any event, the statement is considered sent once a year, notwithstanding the bank or the financial intermediary is not required for sending or preparing it. Further implementing provisions on this matter are expected to be issued by the Ministry of Economy and Finance.

## SUBSCRIPTION AND SALE

Pursuant to the Notes Subscription Agreement to be entered into on or about the Issue Date among the Originators, the Issuer, the Arranger and the Representative of the Noteholders, the Originators agree to subscribe and pay the Issuer for the Notes at the issue price of one hundred per cent. (100%) of their respective principal amount and shall appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Notes Subscription Agreement will be subject to a number of conditions and may be terminated in certain circumstances prior to the payment of the Issue Price to the Issuer.

### UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of this Offering Circular, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this Offering Circular) 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 Agreements, 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 offering nor any other offering material relating to the Notes other than to professional 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), 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 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 professional 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, Decree No. 58, CONSOB Regulation No. 16190 of 31 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 also requires compliance, 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 Offering Circular 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 Offering Circular 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 122a(1)(d) of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC as the same may be amended from time to time (which does not take into account any implementing rules of such Directives) (hereinafter the "**Capital Requirements Directive**" or the "**CRD**"), and (ii)(a) comply with the requirements from time to time applicable to originators set forth in Article 122a of the Capital Requirements Directive and (b) provide (or cause to be provided) all information to Noteholders that is required to enable Noteholders to comply with Article 122a of the Capital Requirements Directive.

As at the Issue Date, such retention requirement will be satisfied by the Originators holding the first loss tranche as required by Article 122a (comprising the Class B Notes). Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

## GENERAL RESTRICTIONS

The Issuer and the Noteholders 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 Offering Circular), 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 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
3. in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (and includes any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State, and any relevant implementing measure in the Relevant Member State), and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Any purchase, sale, offer and delivery of all or part of the Notes shall be made in compliance with article 122a of the Capital Requirements Directive.



## GENERAL INFORMATION

- (1) The Issuer is not involved in any legal, governmental or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position nor is the Issuer aware that any such proceedings being pending or threatened.
- (2) 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 Portfolios. The execution by the Issuer of the Transaction Documents and the issue of the Notes were authorised by a resolution of the quotaholder's meeting which took place on 13 April 2012.
- (3) Save as disclosed in this Prospectus, after the issue of the Notes the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
- (4) The Issuer's audited financial statements for financial years 2010 and 2011 will be available in English for collection at the registered office of the Irish Listing Agent. The Issuer prepares annual audited financial statements for financial years ending on 31 December of each year. No interim or consolidated financial statements will be produced by the Issuer. So long as any of the Class A Notes remain listed on the Irish Stock Exchange, copies of the Issuer's annual audited non-consolidated financial statements shall be made available in electronic form free of charge at the registered office of the Irish Listing Agent.
- (5) The proceeds arising from the issue of the Class A Notes amount to Euro 1,332,000,000. The Issuer estimates that its aggregate ongoing expenses in connection with the Transaction (excluding any fees and expenses in relation to the Servicers) will be equal approximately to Euro 423,774 (exclusive of any value added tax) per annum.
- (6) The expenses for admission to trading of the Class A Notes is equal to Euro 5,041.20.
- (7) The Notes have been accepted for clearance through Monte Titoli, Clearstream and Euroclear.
- (8) The Notes have been attributed the following ISIN numbers and the following Common Code:

	<b>ISIN No.</b>	<b>Common Code</b>
Class A	IT0004814254	077846468
Class B1	IT0004814627	
Class B2	IT0004814809	
Class B3	IT0004814700	
Class B4	IT0004814684	
Class B5	IT0004814676	
Class B6	IT0004814668	
Class B7	IT0004814601	
Class B8	IT0004814593	
Class B9	IT0004814650	
Class B10	IT0004814585	

Class B11	IT0004814882
Class B12	IT0004815376
Class B13	IT0004814874
Class B14	IT0004814866
Class B15	IT0004814858
Class B16	IT0004814841
Class B17	IT0004814833
Class B18	IT0004814825
Class B19	IT0004814817
Class B20	IT0004814791
Class B21	IT0004814783
Class B22	IT0004814775
Class B23	IT0004814767
Class B24	IT0004814759
Class B25	IT0004814742
Class B26	IT0004814734
Class B27	IT0004814726
Class B28	IT0004814718
Class B29	IT0004814619
Class B30	IT0004814692

(9) Copies of the following documents in electronic form may be inspected (and, in the case of the documents listed in (a) below, may be obtained) during usual business hours at the registered offices of the Representative of the Noteholders and at the following web site <https://tss.sfs.db.com/investpublic/> or at the Specified Office of the Irish Listing Agent at any time after the Issue Date and so long as any of the Class A Notes remain listed on the Irish Stock Exchange:

- (a) the *Statuto and Atto Costitutivo* of the Issuer;
- (b) the Transfer Agreements;
- (c) the Warranty and Indemnity Agreement;
- (d) the Cash Administration and Agency Agreement;
- (e) the Notes Subscription Agreement;
- (f) the Servicing Agreement;
- (g) the Back-up Servicing Agreement;
- (h) the Intercreditor Agreement;

- (i) the Deed of Pledge;
  - (j) the Deed of Charge;
  - (k) the Corporate Services Agreement;
  - (l) the Stichting Corporate Services Agreement;
  - (m) the Quotaholder's Agreement;
  - (n) the Limited Recourse Loan Agreement;
  - (o) balance sheets and all financial information (including in relation to financial years 2010 and 2011), income statement, the accounting policies and explanatory notes and audit report of the Issuer.
- (10) This Prospectus will be available in electronic form to the public during usual business hours at the registered offices of the Irish Listing Agent and the Representative of the Noteholders at any time after the Issue Date so long as any of the Class A Notes remain listed on the Irish Stock Exchange, and will be published on the Central Bank's website.
- (11) **Post issuance reporting.** Under the terms of the Cash Administration and Agency Agreement, the Computation Agent shall submit to the Issuer, the Corporate Services Provider, the Representative of the Noteholders, the Paying Agents, the Servicers, the Irish Listing Agent and the Rating Agencies not later than 15 (fifteen) Business Days after each Payment Date, an investors' report providing information on the performance of the Portfolios. This report will describe the trend of the Portfolios in terms of default, delinquency and prepayments. Each released investors' report shall be available for collection at the registered office of the Representative of the Noteholders and at the registered offices of the Paying Agents. The first investors' report shall be available within 15 Business Days after the First Payment Date. In addition, each Investors Report will be made available to the Noteholders and certain other persons on a quarterly basis via the Computation Agent's internet website currently located at <https://tss.sfs.db.com/investpublic>. It is not intended that Investor Reports will be made available in any other format, save in certain limited circumstances with the Computation Agent's agreement. The Computation Agent's website does not form part of the information provided for the purposes of the Offering Circular and disclaimers may be posted with respect to the information posted thereon.
- (12) Save as disclosed in this document (i) there has been no material adverse change in the financial position, trading and prospects of the Issuer since the date of its incorporation that is material in the context of the issue of the Notes; (ii) there has been no material adverse change in the financial position or prospects of the Issuer since the date of its last published audited financial statements
- (13) **Home Member State for the purpose of the Transparency Directive.** The Issuer has elected Ireland as Home Member State for the purpose of the Transparency Directive.

**THE ISSUER**  
Credico Finance 10 S.r.l.  
Largo Chigi, 5 – 00187 Roma, Italy

**ORIGINATORS, SERVICERS AND LIMITED RECOURSE LOAN PROVIDERS**

<b>Banca Romagna Cooperativa Credito Cooperativo Romagna Centro e Macerone</b> Via Leopoldo Lucchi, 135 47521 Cesena (FC)(Italy)	<b>Banca di Forlì – Credito Cooperativo – S.C.</b> Corso della Repubblica, 2/4 47121 Forlì (Italy)
<b>Banca della Marca – Credito Cooperativo – Soc. Coop.</b> Via Giuseppe Garibaldi, 46 31010 Orsago (TV)(Italy)	<b>Credito Trevigiano – Banca di Credito Cooperativo – Società Cooperativa</b> Via Stazione, 3/5 31050 Fanzolo di Vedelago (TV)(Italy)
<b>CentroMarca Banca – Credito Cooperativo – Società Cooperativa</b> Via Dante Alighieri, 2 31022 Preganzol (TV)(Italy)	<b>Banca di Anghiari e Stia – Credito cooperativo – Società cooperativa</b> Via Mazzini, 17 52031 Anghiari (AR)(Italy)
<b>Banca del Valdarno – Credito Cooperativo – Soc. Cooperativa</b> Piazza della Libertà, 26 52027 San Giovanni Valdarno (AR)(Italy)	<b>Banca di Credito Cooperativo Vicentino – Pojana Maggiore (Vicenza) – Società Cooperativa</b> Via Matteotti, 47 36026 Pojana Maggiore (VI)(Italy)
<b>Cassa Rurale ed Artigianale di Brendola – Credito Cooperativo</b> Piazza del Mercato, 15 36040 Brendola (VI)(Italy)	<b>BCC di Alba, Langhe e Roero S.C.</b> Via Cavour, 4 12501 Alba (CN)(Italy)
<b>Banca di Pistoia - Credito Cooperativo – Società Cooperativa</b> Corso Silvano Fedi, 25 51100 Pistoia (Italy)	<b>Credito Cooperativo Interprovinciale Veneto – Società Cooperativa</b> Via G.Matteotti, 11 35044 Montagnana (PD)(Italy)
<b>CrediUmbria Banca di Credito Cooperativo – Società Cooperativa</b> Via Stradone, 49 06062 Frazione Moiano Città della Pieve (PG)(Italy)	<b>Banca di Credito Cooperativo di Pompiano e della Franciacorta – Pompiano (BS) Società Cooperativa</b> Piazza S.Andrea, 12 25030 Pompiano (BS)(Italy)
<b>Banca Adige Po – Credito Lusia</b> Viale Europa, 95 45020 Lusia (RO)(Italy)	<b>Banca di Ancona – Credito Cooperativo – Società Cooperativa</b> Via Maggini, 63/a 60127 Ancona (Italy)
<b>Banca di Bedizzole Turano Valvestino Credito Cooperativo Scrl</b> Via Garibaldi, 6/a 25081 Bedizzole (BS)(Italy)	<b>Banca di Credito Cooperativo di Ostra e Morro d'Alba Società Cooperativa</b> Via Mazzini, 93 60010 Ostra (AN)(Italy)
<b>Credito Cooperativo Dell'Adda e del Cremasco – Cassa Rurale Società Cooperativa</b> Piazza Vittorio Emanuele II, 6 Rivolta d'Adda (CR)(Italy)	<b>Banca San Biagio del Veneto Orientale di Cesarolo, Fossalta di Portogruaro e Pertegada – Banca di Credito cooperativo – Società Cooperativa</b> Viale Venezia, 1 30025 Fossalta di Portogruaro (VE)(Italy)
<b>Banca di Credito Cooperativo di Gatteo – Società Cooperativa</b> Via della Cooperazione, 10 47043 Gatteo (FC)(Italy)	<b>Romagna Est Banca di Credito Cooperativo Società Cooperativa</b> Corso Peticari, 25/27 47039 Savignano sul Rubicone (FC)(Italy)
<b>Cassa Rurale ed Artigiana "S.Giuseppe" c.c. Soc. a Resp. Limitata – Camerano (AN)</b> Via Monsignor Donzelli, 34/36 60021 Camerano (AN)(Italy)	<b>Banca di Monastier e del Sile Credito Cooperativo Società Cooperativa</b> Via Roma, 21 A 31050 Monastier di Treviso (TV)(Italy)

**RovigoBanca Credito Cooperativo – Società Cooperativa**  
Via Casalini, 10  
45100 Rovigo (Italy)

**Banca San Giorgio Quinto Valle Agno Credito Cooperativo – Società Cooperativa**  
Via Perlena, 78  
36030 San Giorgio di Perlena – Fara Vicentino (VI)(Italy)

**Credito Valdinievole – Banca di Credito Cooperativo di Montecatini Terme e Bientina S.C.**  
Via Ugo Foscolo, 16/2  
51016 Montecatini Terme (PT)(Italy)

**Banca di Credito Cooperativo di Campiglia dei Berici Soc. Coop.**  
Via Nazionale, 2  
36020 Campiglia dei Berici (VI)(Italy)

**Banca di Credito Cooperativo di Carate Brianza**  
Via Cusani, 6  
Carate Brianza (MB)(Italy)

**Banca Malatestiana – Credito Cooperativo Società Cooperativa**  
Via XX Settembre, 63  
Rimini (RN)(Italy)

**ARRANGER, BACKUP SERVICER and OPERATING BANK**

**ICCREA Banca S.p.A.**  
Via Lucrezia Romana, 41-47  
00178 Rome  
(Italy)

**REPRESENTATIVE OF THE NOTEHOLDERS**

**Deutsche Trustee Company Limited**  
Winchester House, 1 Great Winchester Street  
EC2N 2DB London (United Kingdom)

**ENGLISH TRANSACTION BANK - AGENT BANK- CASH MANAGER and PRINCIPAL PAYING AGENT**

**Deutsche Bank AG London**  
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EC2N 2DB London (United Kingdom)

**CORPORATE SERVICES PROVIDER**

**FIS Full Integrated Solutions S.p.A.**  
Via della Moscova, 3  
20121 Milan (Italy)

**TRANSACTION BANK , COMPUTATION AGENT and ITALIAN PAYING AGENT**

**Deutsche Bank S.p.A.**  
Piazza del Calendario 3,  
20126 Milan, (Italy)

**STICHTING CORPORATE SERVICES PROVIDER**

**Wilmington Trust SP Services (London) Ltd**  
Third Floor, 1 King's Arms Yard  
London EC2R 7AF (United Kingdom)

**IRISH LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer, L-1115 Luxembourg

**BACK-UP SERVICER FACILITATOR**

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Via Guidubaldo Del Monte 61,  
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**LEGAL ADVISORS**

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